Madras Information

MARCH, 1966
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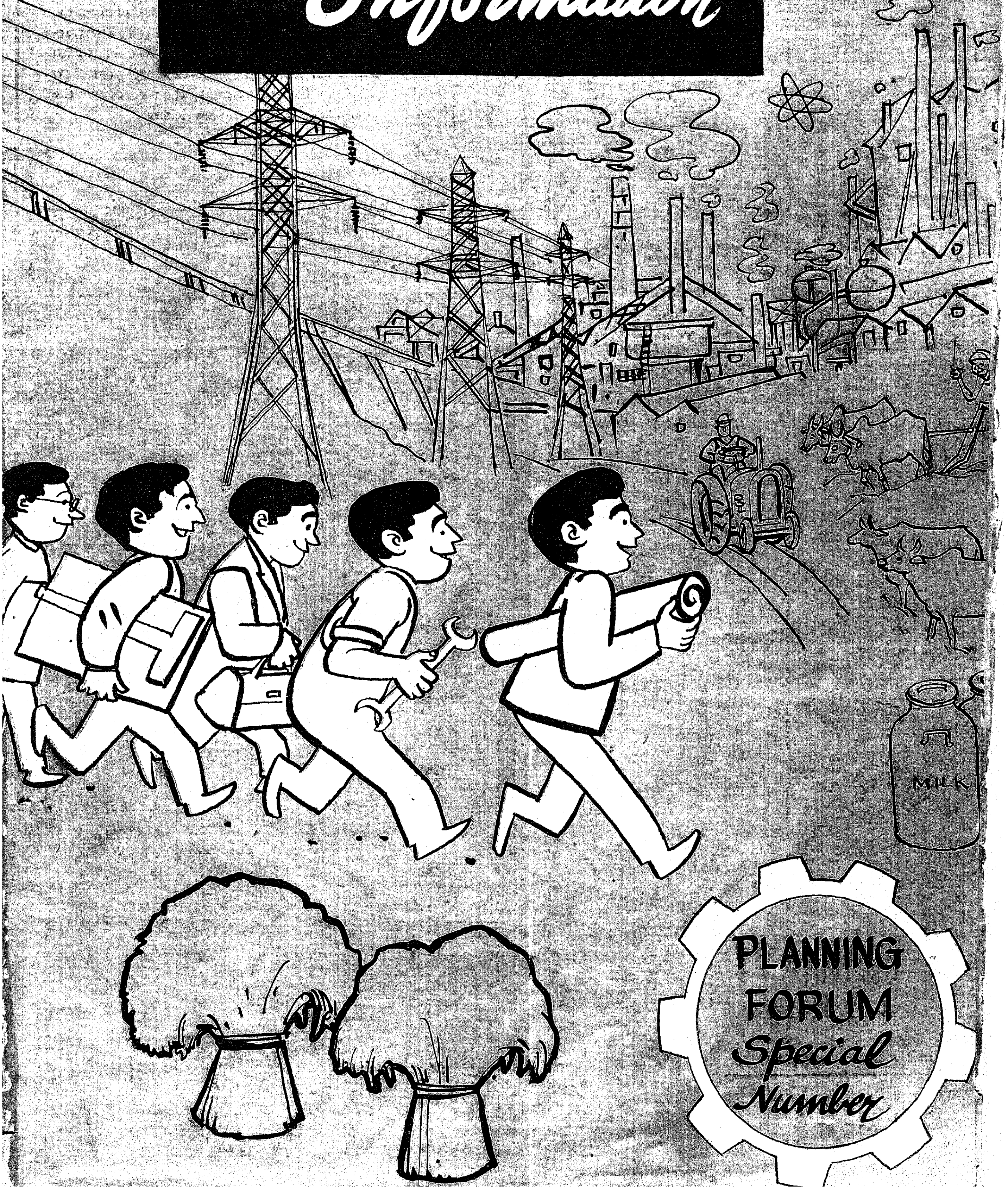
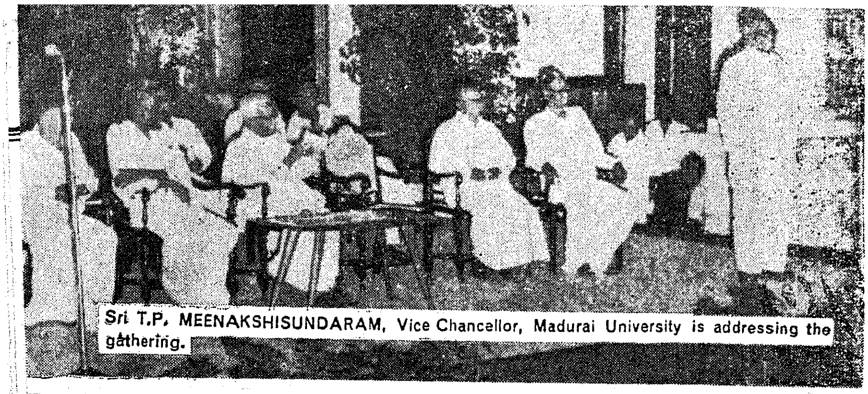
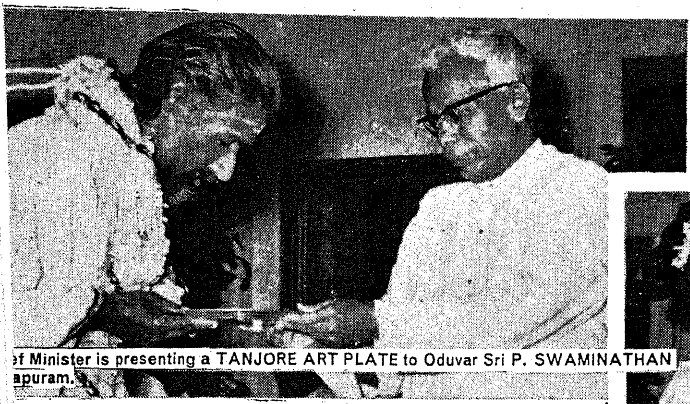


PLANNING FORUM *Special Number*



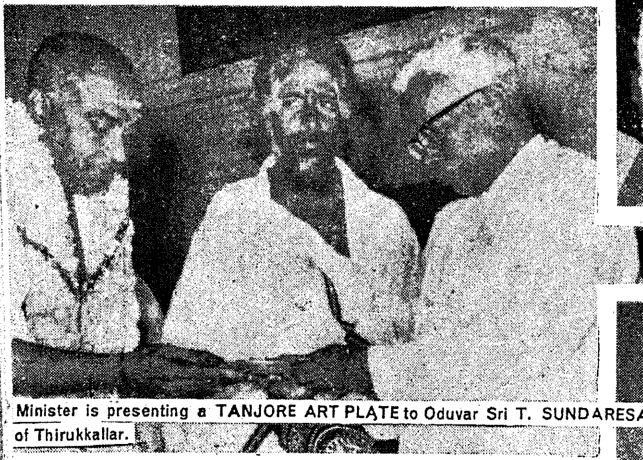
Sri T.P. MEENAKSHISUNDARAM, Vice Chancellor, Madurai University is addressing the gathering.

The release by the Chief Minister of sixteen records containing 32 songs selected from the hymns of saivite saints of Tamil Nad proved a memorable event. These songs, sung by musicians trained to render them according to traditional modes, evoke great devotion, provide lilting music and contain high philosophy. Along with the records was released an attractive book containing the text of the songs with a lucid commentary. Pictures in this page show the Chief Minister releasing the records and the book and honouring the musicians.



...f Minister is presenting a TANJORE ART PLATE to Oduvar Sri P. SWAMINATHAN ...apuram.

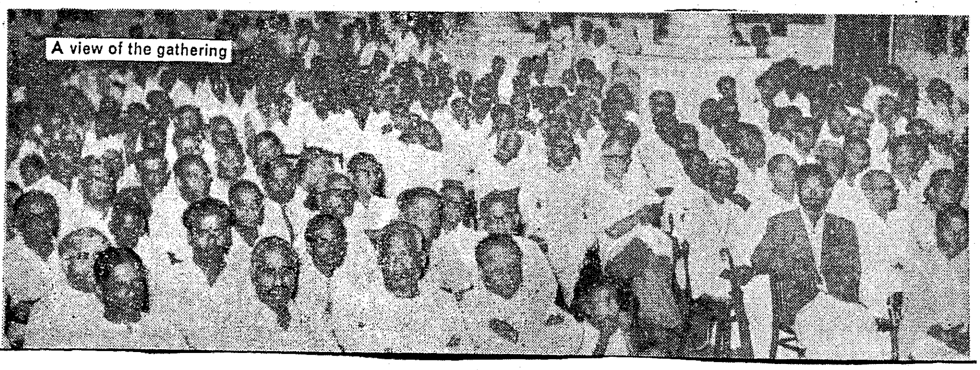
The Chief Minister is releasing the records



... Minister is presenting a TANJORE ART PLATE to Oduvar Sri T. SUNDARESA of Thirukkallar.

The Chief Minister is releasing the book INNAMUDAM

... Minister is garlanding Oduvar ...RUGNANASAMBAMDAM of Sirkali



A view of the gathering

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No price is Too High To Pay for Freedom

CITIZEN'S DUTIES

1. To render all possible help and assistance for the defence personnel.
2. To increase the production of his factory.
3. To intensify efforts for increased production of agricultural and small-scale industrial commodities to make his State self-sufficient.
4. To avoid all strikes and lock-outs that may hamper production.
5. To maintain the price level of all essential commodities and curb the tendencies of hoarding and profiteering by conforming to the various legislative and other popular measures.
6. To maintain the supply lines of essential commodities.
7. To contribute generously in the form of money and gold for the war effort.
8. To inculcate the highest sense of duty and responsibility.
9. To join the various organizations set up for the defence of the country.
10. To prevent anti-social and anti-national activities of the fifth columnists.
11. To observe strict austerity in consumption of food, clothes and other essential goods and save for the National Defence Fund.
12. To avoid unnecessary travel so that more important and essential movement may not be hampered.
13. To keep up the morale of the people and prepare them for sacrifices.
14. To check rumour-mongering and to disseminate true and faithful news and information.
15. To join or help Citizens' Committee, N.C.C., Territorial Army and Lok Sahayak Sena and Rifle Clubs.
16. To pray for the victory of our Motherland in this struggle and set aside all differences of caste, creed or party.

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MADRAS Information

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In this issue....

The youth of the country has an important role to play in the task of national reconstruction. It was mainly in recognition of this fact that an attempt to associate students with the formation of the plan was made in the First Plan itself, when the Planning Commission asked the Vice-Chancellors of the Universities to get the Plan widely discussed at University Centres. But it was only at the beginning of the Second Plan a more organized attempt was made for the formation of Planning Forums in Colleges and Universities. In August 1955, at the time of the preparation of the Second Plan, the Planning Commission wrote to the Vice-Chancellors of Indian Universities on the subject of associating teachers and students in the colleges with the process of thinking on the Plan. Sri S. N. Mishra, the then Union Deputy Minister for Planning, who addressed the Vice-Chancellors suggested the formation of 'Planning Forums' in Universities and Colleges, with the specific object of discussing various aspects and problems of the Five-Year Plans and sending their views and suggestions to the Planning Commission.

Needless to say that the students and teachers in the Universities and colleges were by profession, temperament and outlook well fitted to be taken into confidence and consulted in the formation and implementation of Plans.

In Madras State there are at present 75 college Planning Forums. A Regional Seminar of Planning Forums was organized for Madras region in the premises of the Presidency College at Madras for two days on 13th and 14th November 1965. Sri M. Bhaktavatsalam, Chief Minister of Madras, inaugurated the conference. Sri R. Venkataraman, Industries Minister, presided. Sri V. Ramaiah, Minister for Food, inaugurated Plan Exhibition and spoke on the occasion. The Vice-Chancellor of Madras University, Secretary to Government, Finance Department and Director of Rural Development, also spoke on the occasion. Similar conferences are being organized for the other regions of the State, at Tiruchirappalli, Madurai, Coimbatore, etc.

This issue of Madras Information is devoted to the College Planning Forums. The speeches made by various distinguished persons at the conference and the papers read at the conference are reproduced here for the benefit of the Student Community in particular and the public in general.

STUDENTS' ROLE
IN PLANNING

Sri M. BHAKTAVATSALAM,
Chief Minister

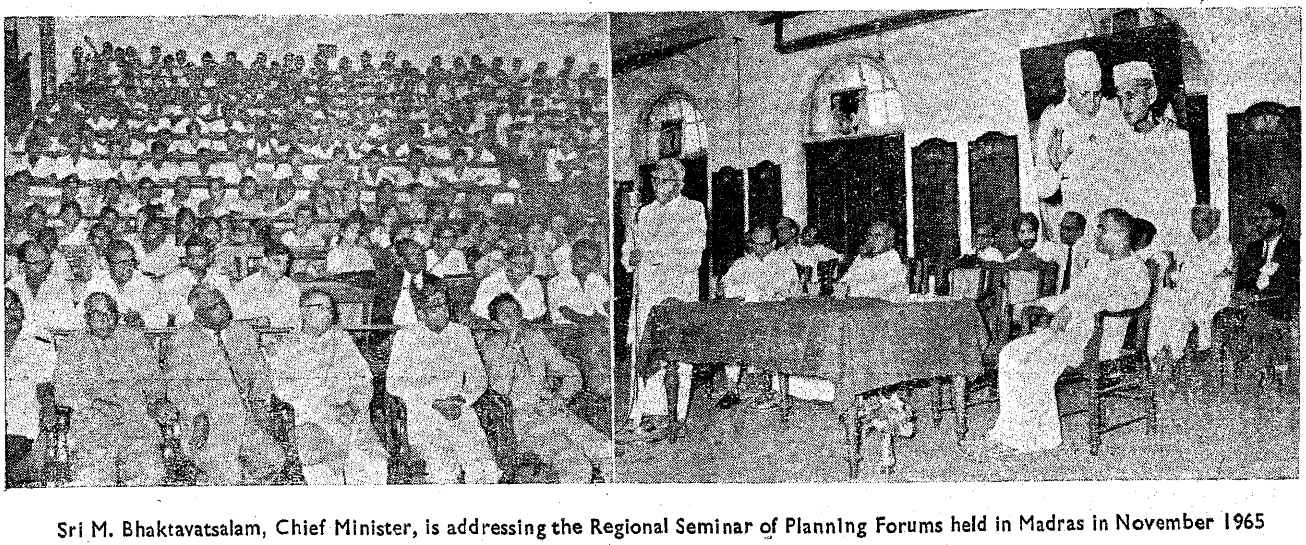
It is very essential that students should think more about planning. Their work should not be in name only. They should take a live interest and work sincerely. That is why Planning Forums were formed.

Even prior to Independence, Pandit Jawaharlal Nehru set up a Planning Committee in the Congress Organisation itself for framing schemes for the future development of the country. The Planning Commission has been formed only after Independence with the Prime Minister as Chairman. Some people are opposed to planning on the ground that it is suited only to Communist countries like Russia. They decry planning out of their narrow-mindedness on the ground that it is Communist in theory and practice. We are all striving hard to establish a Welfare State and catering to the welfare of the masses need not be a prerogative of the Communists. Even democratic countries have now resorted to planning.

Budgeting also meant planning for a year. Without proper planning, one cannot run even his family. Students too have to adopt a planned life and should be able to get on with what they got from their parents, without borrowing from others. Apart from it even passing an examination require planning.

After the attainment of Independence, people expect much from the Government and the needs of the people have to be met. Planning is intended to meet the basic needs of the people at large. Some economic experts advocate "perspective planning". The country is passing through a national emergency and we have to concentrate on defence measures. The plans are intended to improve the standard of living of the people. We are therefore concentrating on agriculture and industries. Education is also important. The needs of the people are increasing day by day and they want more schools, more hospitals, etc. That is why the Government are also doubling the plan outlay from plan to plan. The basic needs of the people like drinking water-supply have to be met somehow or other.

Under the plans we are trying to exploit the under ground water resource for increasing agricultural production which is also dependent upon rain.



Sri M. Bhaktavatsalam, Chief Minister, is addressing the Regional Seminar of Planning Forums held in Madras in November 1965

Sri M. C. Chagla, Union Minister for Education, who visited Madras recently, is addressing the meeting of the University Students organized by the State Level Committee of Planning Forums at the University Centenary Auditorium, Chepauk, on 31st January 1966.

Though England is not an agricultural country, they are concentrating on agricultural research side by side with industrial research. Russia has achieved great progress industrially and scientifically, yet they feel disappointed that they have not attained sufficient progress in the agricultural sector. Agriculture and industry should grow side by side and in a balanced way.

Out of 3 crores of people living in the villages of Tamilnad, only about 50 lakhs are patta-holders. Others had not even an inch of land. The State Government are therefore contemplating to bring forward a permanent tenancy legislation. Planning is the only way to raise the standard of living of these people.

In the present context planning is also necessary to meet the country's defence needs. So, people must be prepared to make some sacrifices. They must all, for example, miss a meal on Monday, as desired by the Prime Minister of India. The people must co-operate by not taking a meal on a particular day. This is one way of conserving country's resources which are scarce. Then only we will be able to achieve the desired result. We must show to the world our unity and preparedness to make any sacrifice for the sake of the country.

Resources are necessary for Planning and especially during the emergency, we have to resort to some taxation measures. No Government can carry on without taxation. There is no country in the world which do not resort to taxation. Taxation is not punitive. Tax is levied only to the extent necessary and only on those who can bear it. Taxation is in vogue even in ancient days and people deemed it their duty to part with one-sixth of their income. People who can afford should make some sacrifice for the sake of those who are in the lower rung of the society. So, in a way taxation leads to socialism. When people are prepared to lay down their lives for the sake of the country, we should not consider taxation as a great burden.

War means expenditure and huge sums of money are required for producing armaments. Apart from taxation, we have to pool all the savings from the people. People should come forward to invest liberally in Gold Bonds and National Defence Savings Bonds.

The student community as future responsible citizens of the country should know about the need for planned economy so that they can benefit themselves in future and also carry the message of planning to the people at large. Just as the Government receive help and guidance from the Planning Commission, we also expect the students and teachers to give their considered views and suggestions in the matter of Planning, through the Planning Forums. In that way the students can play a great part to achieve the object of Planning and thus help the country and the people.

Produce More and Make the Country Self-Sufficient

SOLVING THE FOOD PROBLEM

SRI V. RAMAIAH,
Minister for Food

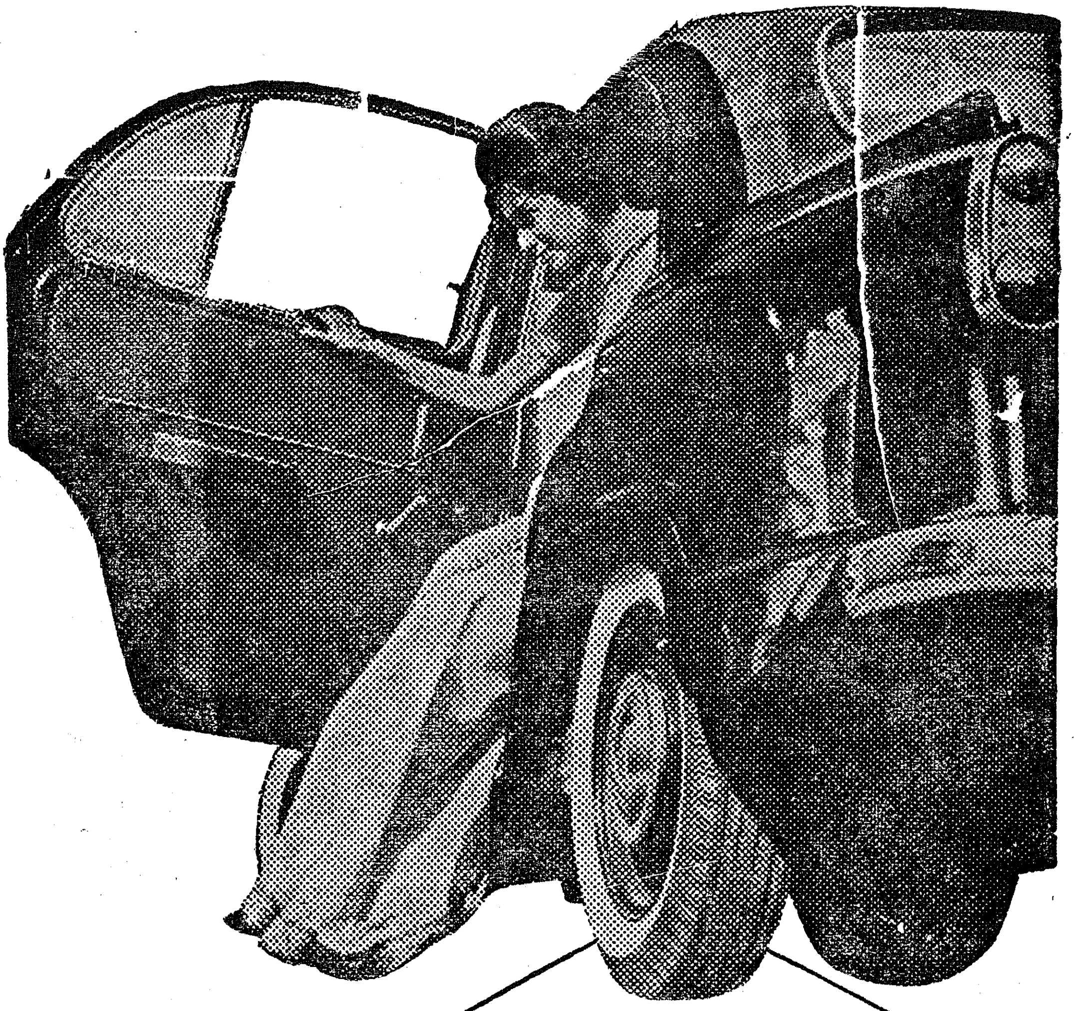
In planning, it is not sufficient that those who are directly involved in the work alone should think and formulate plans. It is absolutely necessary that every section of the community should think about the plans and offer their suggestions. And agriculture is the most important sector of our plan programmes which requires our utmost attention.

Statistics regarding production would show that the State is more or less self-sufficient in food and that in the production of cereals there is even a surplus of 100,000 tons. Though we may be having a surplus in cereals, there is the other vital food products that are required for a planned nutritive diet and we should make special efforts to grow more pulses. The State is entirely dependant upon the monsoon for food production. The year 1964 is supposed to be a good year from the point of view of agricultural production and the behaviour of the monsoon. Still in that year we faced the severest of the food problems. It is not merely sufficient that we produce more. There is some snag in getting the surplus quantity under Government control and distributing it to the needy people. In spite of the current year being bad on account of the failure of the monsoon, the Government are confident of going through this year without any great strain.

By the execution of various projects for irrigation purposes we have succeeded in bringing large areas under guaranteed irrigation system. Since we have exhausted all the water resources, now we have to go in for a very big programme to tap the underground water. In this connection, it should be pointed out that Madras State is the pioneer in tapping the underground water resources. A large number of irrigation wells had been sunk. These measures have made it possible to have two or three crops in a year. The problem of increasing the food production depends mainly on the efforts of the farmers and I have no doubt that they will rise to the occasion. The tropical climate, as is existing in India, is most conducive for agricultural production. I am confident that the farmers getting the necessary help from various sources and with the conducive climate, not only the Madras State but also the rest of the country will be able to solve the food problem in the near future.

While considering the problem of self-sufficiency in food, our efforts should not be restricted to the production of cereals alone for a balanced diet require many other articles of food besides rice like fish meat, eggs and pulses. In this connection the Madras State, with a large coast line, is in a better position to have these subsidiary vital and valuable foodstuffs which are consumed by a large majority of people in the State. If only we could give monetary and mechanical help to the fishermen, they will have a large catch of fish which will to a certain extent help to attain self-sufficiency in food.

Sri V. Ramaiah, Food Minister, is addressing the Regional Seminar of Planning Forums held in Madras



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PLANNING UNDER DEMOCRACY

SRI R. VENKATARAMAN,
Minister for Industries.

In 1950 the late Prime Minister, Sri Jawaharlal Nehru, announcing the formation of the Planning Commission, promised plenty of Colleges, hospitals, roads, employment opportunities, industrial developments, etc., and that misery, poverty and ignorance would be wiped out from the country through planning on a massive scale. But, none of us realise that such a Planning implies certain sacrifices and obligations.

The moment some taxes were levied there is hue and cry. People seem to want a Plan in which they can get everything for nothing. The younger generation should realise that out of nothing, nothing will come. It is here that the Planning Forums can play a useful part in educating the students. If a certain thing is to be done, some sacrifice should be there. More increase of money circulation will not lead to an increase in the wealth of the country. We should try to increase the production of various commodities and make the country self-sufficient in food, thus driving away the need for foreign food supply. In democratic planning we have to carry the people with us and people should be told that they have to make their contribution to make the Plan success.

Planning in Democracy

In India for the Plan to succeed the consent of the people is important. That is not the case in Soviet Russia, wherein the ruling party proposes targets and the people willy-nilly have to work to achieve that target. There can be no protest there in Soviet Russia. The targets set out in a Plan, in a democratic country like India, have to be achieved with the consent and co-operation of the people. That involves a certain amount of sacrifices on the part of the people. Sacrifice no doubt involves a certain amount of discomfort. That is inevitable. If the sacrifice is great and unbearable, the people in a democratic country have the right to say that the Plan setting out those targets and involving such sacrifices, has to be re-shaped. Such right was conspicuous by its absence in totalitarian countries.

Two points, viz., that planning involves a certain amount of sacrifice on the part of the people and that planning implies a measure of discipline in the lives of the people, should therefore be clearly borne in mind.

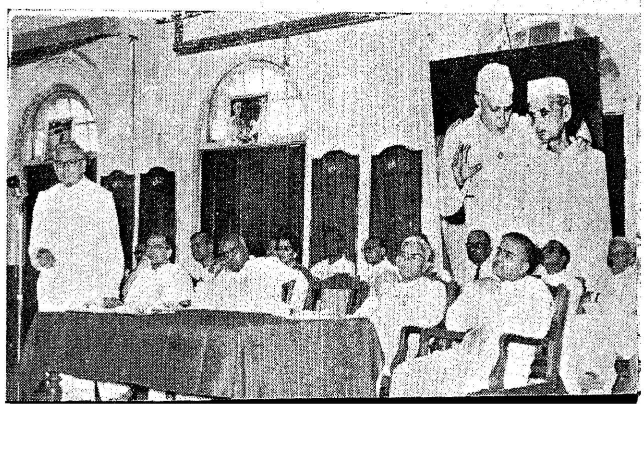
It is not the volume of production but the savings that the society makes in the use of commodities that counts. If the gross national product is Rs. 10,000 crores and all the Rs. 10,000 crores is consumed leaving little for investment, then there will be nothing to Plan for future. But if only Rs. 8,000 crores is spent out of Rs. 10,000 crores, then there will be a saving of Rs. 2,000 crores, which can be invested for the future Plans. So long as the people of India do not realise the value of savings and the need for savings, the Plans will only continue to be 'Paper Grandiose Schemes'.

Need of the hour

Even though the outlay in the Second Plan was twice that of the First Plan, and the outlay in the Third Plan was twice that of the Second Plan, the expenditure has also correspondingly doubled in each sector of expenditure. In the present situation in India two things have to be taken note of : (1) 'Internal defence', which means the people living within the means, that is people being self-relient, and (2) 'External defence', which means the provision of required armaments for modern warfare.

So far as internal defence is concerned, the tendency to look forward to other countries for 'food' has to go. Unlike other countries which have necessarily to import food grains from other countries, India has the necessary resources to become self-sufficient in food. What is needed is more productivity. So far as provision of necessary armaments is concerned, thanks to the vision

Sri R. Venkataraman who presided over the Regional Seminar of Planning Forums held in Madras is addressing the gathering.



of Indian leaders, a strong industrial base has been built in the first three Plans—in 15 years. We were able to withstand the onslaught of Pakistan in the recent past. Except for the import of some specialised components, in the matter of production of defence equipment for the armed forces, we have almost reached the self-sufficiency stage. Of course we needed some more modern equipments which have to be imported.

What is important is the setting up of the Industrial Base in the first three Plans. Therefore, we have to see that this Industrial Base serves as the second line in the case of manufacture of defence equipment and armaments.

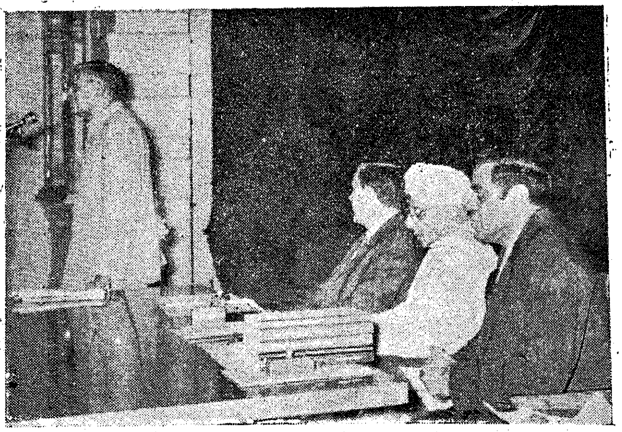
Price level

Maintaining the price level is very important for the Plans. Without price level control, planning will become awry. If a project is estimated to cost Rs. 50 lakhs and by the time the actual work is completed, if it soares up to Rs. 60 lakhs, not because of the inefficiency on the part of Engineers concerned, but because of the basic rise in prices of materials in the country, then all our estimates will go wrong and all our plans will become awry. Therefore, it is essential for us to maintain prices under control. In that, for one thing, Government have a responsibility and for another, the people have a responsibility. If Governments do not invest in projects which took a long period to yield results and if the period is not so long as to allow pressure of investment on the available goods and services, then Governments will be helping to a very great extent to relieve pressure on prices. Another thing is to reduce non-Plan expenditure. Therefore Governments both Central and State have a responsibility to make their investments strictly limiting them to plans yielding quick results, ensuring of course that the immediate needs of the people were not lost sight of.

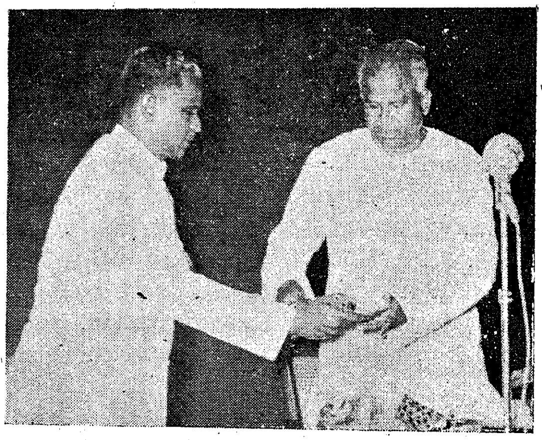
So far as the responsibility of people is concerned, they can help by reducing their demand on goods and services, as that will go a long way to curb price levels. While people are vociferous in saying that they will make any sacrifice for the cause of the country, during national emergency, when it comes to actual curtailing or sacrificing needs, people become impatient and angry. That only exhibits lack of understanding of the national needs and responsibilities. People who get angry if a bottle of kerosene is not available at a particular time, and people who protest when Government are forced to levy a tax to meet the expenses consequent on national emergency, should take lessons from the British People who have gone through the worst period of their lives during the Second World War. Therefore, unless the people are prepared to reduce their consumption it will not be possible to hold the price line.

Economy

The students and the people should rise to the occasion, and reduce their consumption. They should substitute all paintings on the walls of their houses with placards with the words " ECONOMY " reminding them that they should economise in everything they do and they should bring about savings in terms of commodities, services, etc., thereby contributing to strengthening of the nation. That is the only way to hold the price line. We are passing through the most crucial hour in the country's existence and we have to prove to the people of the World that in this country, people will not hesitate to make sacrifices of any kind to make up deficiencies and stand on their own legs. If our people do this at this hour of need, their position in the world as a great Nation would be ensured for posterity.



Sri R. Venkataraman, Minister for Industries, is addressing the gathering at the Fourth Anniversary of the Institute of Mathematical Sciences, Madras, held recently in the City



Sri P. Kakkan, Home Minister, is receiving fund for the National Defence Fund from the Statistics Department Recreation Club

PLANNING REQUIRES HARD DISCIPLINE

Dr. A. LAKSHMANASWAMY MUDALIAR,
Vice-Chancellor, University of Madras

It is but appropriate that the student community on whom fall the repercussions of planning should be given an opportunity to express their opinion on planning and to know what planning is. We discuss the plans in the legislatures, but there we never come to conclusions. Planning is a thing in which all of us are interested, more so the young friends on whom the burden of protecting and developing the country would fall ere long. They should all realise that this planning affect them vitally not at some distant future but almost immediately after their student life. Planning is not a new idea. Planning has been there long before, though it is not segmented into quinquennial periods. Planning has been there in the life of a family and in the life of an individual. There are only a few students who can plan well ahead in education.

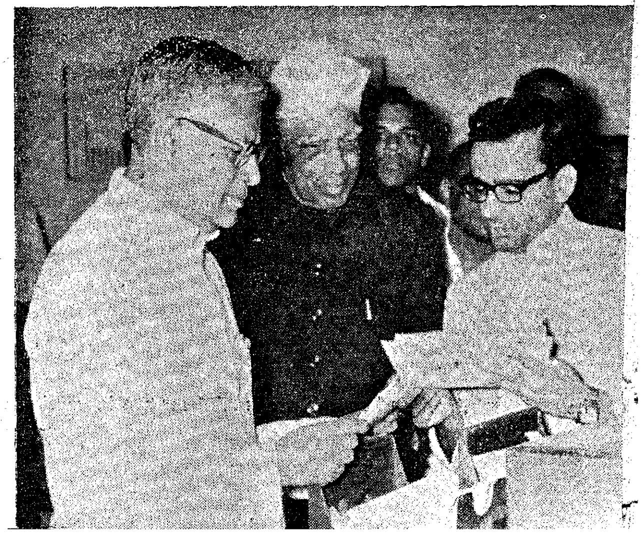
Essential thing

It is our great Prime Minister Jawaharlal Nehru who conceived the idea of national planning. We are so much involved in the Second World War that we never worried about a plan then. What we inherited from the British Government is very nearly chaos. In planning many things can be anticipated and provided for. Planning has brought a sense of reality in the country. We have already had three five-year plans. Mere spending is not enough. If the implementation of plans is to be successful, it is very important that it must have the whole hearted co-operation of all people, young and old, irrespective of the position they occupy and the influence they wield. One of the essential things is a disciplined attempt. The plan at present must be defence-oriented; the plan must also make a success of the food problem. It was not from Delhi or from any other headquarters that one could control the food situation. If the Centre took up the responsibility it took up the responsibility on behalf of all of us and it cannot discharge that responsibility unless everyone of us co-operate in making it a success. During the last War, I stayed in a hotel in London as a Government guest. It was dark there, because they did not have enough supply of kerosene. There was shortage of butter and the people put up with it. When we spoke of miss a meal, it was nothing compared to the sufferings undergone by the Britishers during the War. That is where the discipline of the nation comes in. Therefore, the first thing we have to learn is how to lead a disciplined life.

There is no co-ordination between the various Departments of the Government in implementing the Plan schemes. For example, the roads in Madras City are dug several times—first by the Water Works Department for putting cables, then by the Highways Department for widening the roads, etc., such things have to be remedied.

University Employment Information and Guidance Bureau was inaugurated by Sri R. Venkataraman, Minister for Industries, at the University Centenary Buildings, Chepauk, on 1st February 1966. Dr. A. Lakshmanaswamy Mudaliar Vice-Chancellor, University of Madras, presided over the function.

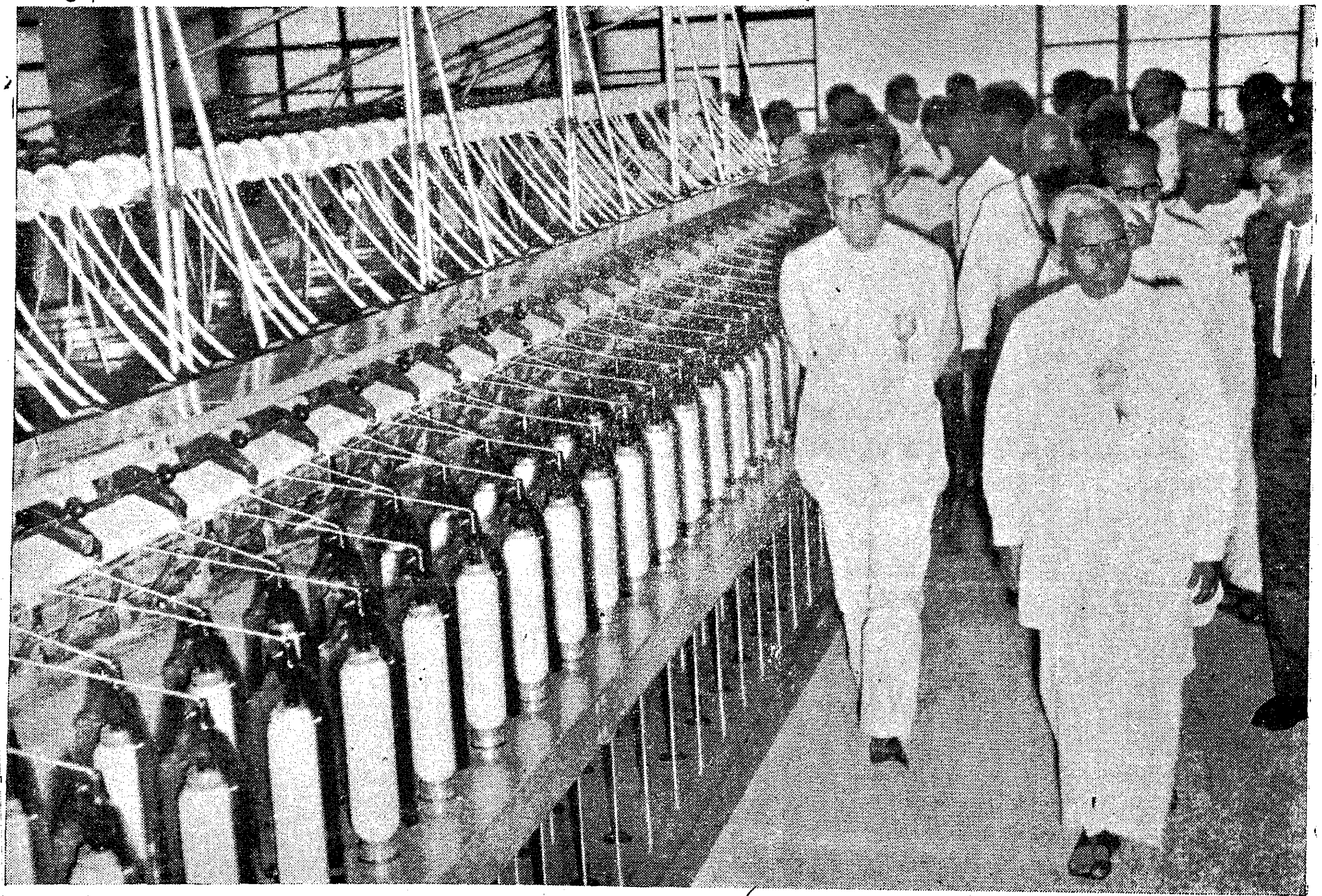
The Minister and the Vice-Chancellor are inspecting the new office.



It is necessary that students should find out how the Planning Forums are functioning. Nowadays we are all talking about defence-oriented activities. Everyone in the country including the students should take their due share in making the defence efforts a complete success. For want of foreign exchange, India cannot get many of the things she needed for defence purposes. But, I feel that many of the things required by us can be made in the country, if not in the most polished manner, but to serve their purpose substantially. The scientific and technological advance would help in that direction.

Education is one of those important subjects on which we should concentrate our best attention. It will be a folly if we did not plan our educational ladder properly. Very often colleges compare their results by the percentage of passes; but that is a poor yardstick. Students who crammed from notes pass the examinations. That is not enough. If they want to be successful scientists or technoligists, they have to go deep into the matter. It is so in all matters—education, industry, scientific development and so on—our Plans have to be well thought of.

We are passing through trying times. We should address each other and try to solve the problems of the day. Students must know more about planning, because it is they who will suffer on account of bad planning. I, therefore, welcome the idea of Planning Forums. It will be good if weekly seminars are arranged among the college students. In a large country like India, no particular individual can provide the answer for the many problems we are confronted with. Every one should contribute his share to successful planning. If people look to the student population, it is because they are imbued with highest ideals and have a certain amount of courage and outlook.



The Chief Minister and the Industries Minister are inspecting the Kamakshiamman Co-operative Spinning Mills, recently inaugurated at Kancheepuram.

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Future Role of Panchayat Unions in Planning

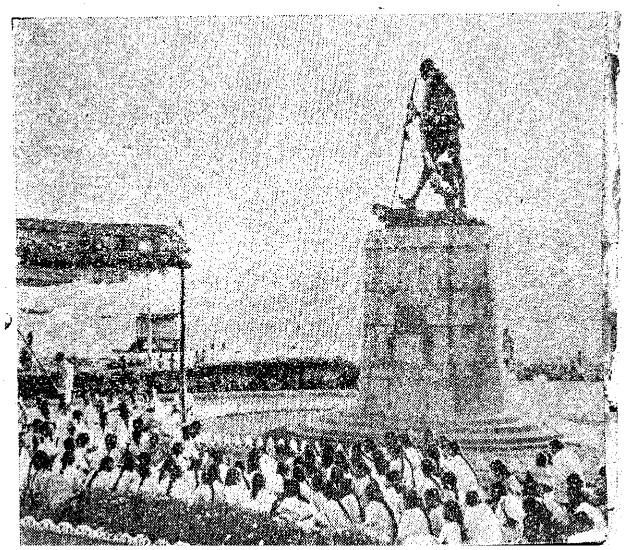
Sri K. Diraviyam, I.A.S., Director of Rural Development, who also took part in the Regional Seminar of Planning Forums held in Madras said :

" In India we have adopted democratic method of planning associating the people with planning. I belong to the department which is concerned with community development, viz., development of rural areas. In the first three Plans, much headway has been made in the rural areas, in the establishment of roads, schools, hospitals, etc. There are 375 Panchayat Unions in the State. During the last three Plans, plans for development of blocks have been drawn by Government. In the Fourth Plan, we are attempting to ask each Panchayat Union to place its requirements, the potential of that area, the special problems of the tract and on what lines they wanted development. The evolving of the Plan from the Panchayat Unions will be great experiment.

" The Panchayat Union Presidents are non-officials. The Panchayat Union Council consist of non-officials. The officials come in, in the name of Panchayat Union Commissioner who is called the Block Development Officer. He is the Secretary of the Panchayat Union Council. We are trying to have in the block set-up a combination of non-official initiative and official experience. The Block Development Officer isassisted by a team of Extention Officers, in different fields of agriculture, education, panchayats, etc. The one thing that I have noted is that the local representatives (non-officials) has shown eagerness so far as sharing of power with the Government is concerned, but the same response is not forthcoming so far as their sharing of power with the local ryots are concerned. Unless there is the spirit of dedication among the local leaders that they should first serve the people, (without minding their personal comports) and take the benefits of the plan to the people they will only have 'statistical satisfaction' but the 'substantital statisfaction will not be there. In spite of the fact that we have abolished the Jamindaris, etc., yet, it is the local chieftain in the village who decides as to where a well had to be dug, etc. I plead for a change of heart, a change for the better, for bringing the real fruits of the Plan to the door of ryots. A spirit of dedication should be there. If that there is the local leaders imbued with the spirit and the officials working in right earnest—the Community Development Porgramme is bound to succeed. The object of Community Development programme is to uplift the villagers. In building such a new society in the rural areas, the intellectual community 'comprising the students' have a big part to play. The students should, therefore, be earnest in their studies and bring the lamps of learning and lamps of love for the uplift of villages, in whose prosperity the future of India depends.

Sri R. Venkataraman, Minister for Industries and leader of the Madras Government's Delegation to Japan, left Madras for Calcutta en route to Japan on 8th February 1966 on a two-weeks tour of the country

Mass spinning and bhajan were conducted at Marina, Madras, near Gandhiji's Statue on 30th January 1966, in connection with the Sarvodaya Day



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SOME PROBLEMS OF PLANNING

Sri G. RAMACHANDRAN, I. A. S.,
Secretary to Government, Finance Department

Every plan represented a distinct and important milestone in the economic history of a nation. The beginning and the end of the plan are always vital years in the nation's life. In our long and relentless march towards a self-reliant society, generally we, now and then take stock of what has happened, look at our guide map and reformulate the policies if need be. The transition from the Third Plan to the Fourth Plan marks an important phase in the economic history of the country. The Fourth Plan, even before its conception, has brought in new and formidable problems. On the problems of development which we are facing for the last fifteen years, the problem of defence has now been superimposed. The problem is how to alter the plan to meet the basic needs of defence. Thanks to the fairly successful implementation of the plans for a period of fifteen years, there is a large measure of national consciousness in the country on the need and advantages of planning. A country like ours faced with serious shortage in resources—natural resources, material resources and even human resources in terms of trained manpower—has no choice but to plan so that it might secure the maximum results from the available resources. Though there is a broad measure of agreement in the country on the need for planning. However in recent years doubts and difficulties have been raised and the following are the main lines of criticism against the plan.—

(1) The plans are far too large and far too ambitious ; (2) The plans have led to considerable centralisation ; (3) The plans have tended to over-emphasise the public sector to the detriment of the private sector ; (4) The plans have over-emphasised industry to the detriment of agriculture ; (5) The plans have cast considerable burden on the people in the form of additional taxation ; and (6) The plans have led to a steep rise in prices.

These issues are discussed in the State Legislatures and in the Parliament. But the debates and discussions there are likely to assume a political complexion. They are also discussed in the chambers of commerce and among civil servants. But an audience consisting of students and professors who have been trained to think for themselves and who have no bias one way or the other is best suited to consider those criticisms.

The first criticism is that the plans are too large and too ambitious. If it is said that they are large in terms of outlay proposed or in terms of what we have attempted so far, I admit that we are certainly large and ambitious. But is it large in relation to the needs of the people ? At the end of the Fourth Plan, if the plan is went through in full, we will have only one doctor for 4,500 people, one primary health centre for one lakh of people and one nurse for every eight beds in the hospital. In the matter of education, the State has made phenomenal progress. But at the end of the plan only 80 per cent in the 7—14 age group and 50 per cent in the next age group will be going to school. Is this an ambitious programme? How can agricultural production be stepped up except through minor irrigation schemes and extension of electricity to rural areas ? A plan is merely an addition of different programmes and schemes. People who criticise the plan as being too large themselves also ask for enlargement of the plan ; they ask for more schools, more roads, etc.

The second criticism is regarding centralisation. No doubt we are operating within the framework of a federal Constitution in which the Centre and the State have their own distinct responsibilities. But can we completely ignore the trends in other countries. The United States of America started with a considerable bias against a central authority. But even there, during the last few years, particularly since Roosevelt's regime, there has been a tendency towards centralisation. Has centralisation cramped the initiative of the States ? No, it has not hampered the Chief Minister of Madras from extending free primary education and rural electrification beyond the level envisaged in the plan.

It is on account of planning, that there has been fairly a large transfer of resources from the Centre to the States. Even in the administrative sense, planning has not led to centralisation but on the other hand, it has led to greater decentralisation of authority and power to the people at various levels. So, the charge of centralisation was only superficially correct.

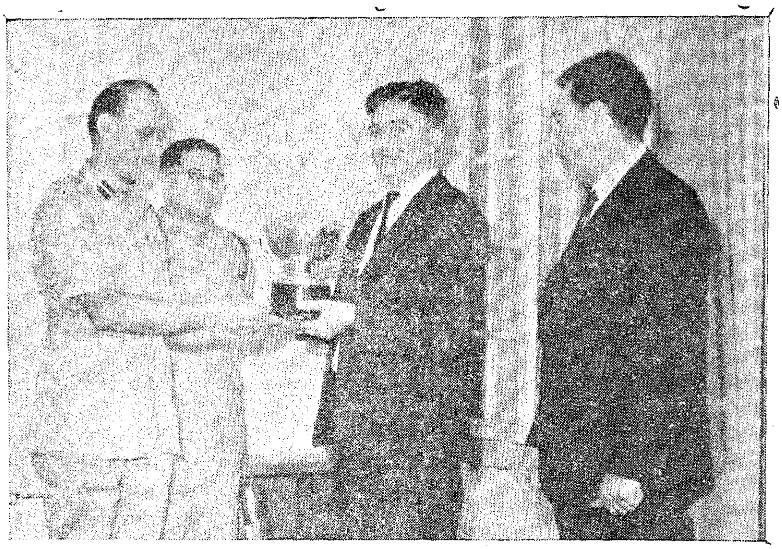
As regards the charge that planning has emphasised the importance of the public sector to the detriment of the private sector the point is that the public sector is still insignificant in relation to the private sector because 45 per cent of the income is derived from the agricultural sector which is very much of a private sector. We have to note that even at the end of the Fourth Plan period, the investment in the public sector will constitute less than 50 per cent of the total investment of the organised industries and that at the same time, a large investment in the public sector went to support and strengthen the private sector in the form of power projects and development of roads, ports, etc. Therefore, the charge that planning has overemphasised industrial development to the detriment of the agricultural production is also wholly incorrect. In Madras State, agricultural production can be stepped up by sinking more wells and by supplying power and fertilisers to agriculturists. The production of fertilisers on a large scale meant investment of money on new fertiliser factories.

With regard to the point that planning has brought additional burdens to the people in the form of increased taxation, it may be pointed out that the per capita taxation of both the Central and State Governments was only about Rs. 50 which is less than what is obtaining in some under-developed countries like Ceylon and Malaysia. Also, we are to increase the national income from 13 per cent to about 17 per cent by the end of the Fourth Five-Year Plan period. In this connection, it should be noted that Pakistan during the Second Plan period has already achieved a national income of 17 per cent with massive economic aid from the Western countries. Though we should make endeavours to get similar assistance from abroad, we should also step up investment especially in industries where foreign exchange is not necessary.

As regards the complaint that the rates of income-tax, expenditure tax, etc., are high it may be pointed out that the income-tax represented only one per cent of the total income through taxation and expenditure tax less than that and thus seven-eighth of such taxes did not directly hit the rich people. So, also the percentage of tax on land would work out to 2·6 . Therefore, the criticism that the tax rates are high is an exaggeration.

As regards the point that planning has led to rising prices, it may be pointed out that the rise in prices has occurred only during the Second Plan period and that too compares favourably with most countries of the world and it is mainly due to shortfalls in the agricultural production and market arrivals. Therefore, it is not enough to step up food production alone. It is also necessary to increase the market arrivals.

EXCELLENT RECORD OF MADRAS POLICE



In recognition of the excellent work done by the Second Battalion, Madras Special Armed Police in Rourkela, in Orissa, from March 1964 to January 1965, a silver trophy was presented on 31-1-1966 to Sri F. V. Arul, I.P., Inspector-General of Police, Madras, by Dr. Horst Gerold Resident Administrator, German Social Centre, Rourkela. The award was made onbehalf of the large German community at Rourkela. Mr. Stalter, Ag. Consul-General for the Federal Republic of Germany at Madras was also present on the occasion. Dr. Gerold recounted the smartness and efficiency of the Second Battalion, Madras Special Armed Police and their co-operation with the public and added that this has also in a way enabled to cement Indo-German collaboration and friendship. Sri F. V. Arul thanked Dr. Gerold and the German community at Rourkela for this fine gesture especially as Dr. Gerold had come to Madras all the way from Rourkela to present the trophy in person.

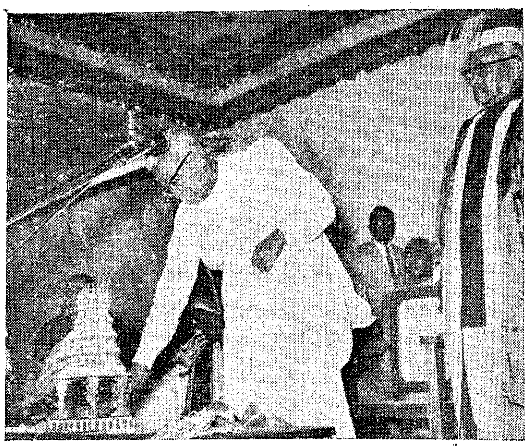
SELF-SUFFICIENCY IN FOOD

SRI K. V. RAMANATHAN, I. A. S.,
Director of Agriculture, Madras.

One of the principal objects of planning in any under-developed country should be to ensure the availability of the minimum needs of food for its population and towards this end and in so far as it is compatible with its natural resources, to aim at self-sufficiency in food. This has been recognised in the plans prepared and executed in India after independence. The need for achieving self-sufficiency in food has again been high-lighted now in a striking manner by the recent conflict with Pakistan and its political repercussions on the international plane. It has now become necessary to think in terms of food production and self-sufficiency in food as the first charge on any monies set apart for development.

Past achievement

The production of foodgrains in India has lagged, and continues to lag, behind its needs. On the eve of the first plan, the total annual production of foodgrains in the country was 52·2 million tons. The first plan aimed at increasing the production of foodgrains to 70 million tons and the achievement was 65·8 million tons. The target of foodgrain production in the last year of the second plan was 80·5 million tonnes and the actual production was 76 million tonnes. The corresponding figures for the third plan are 100 million tonnes and 92 million tonnes. This third plan target of 100 million tonnes was calculated on the basis of 18 ounces per head for the 1965–66 population. There is thus likely to be a deficit of 8 per cent of the total requirements. Assuming the same minimum requirement of 18 ounces of foodgrains per day per individual, the population of the country in 1970–71, as projected according to present trends, will need 123 million tonnes of foodgrains. The aim of the fourth plan is to ensure the production of 120 million tonnes of food grains in the country as a whole in 1970–71, its last year.



The Madurai University was inaugurated by Sri M. Bhaktavatsalam, Chief Minister of Madras, on 6th February 1966. Chancellor Sri P. Chandra Reddy, Governor of Madras, presided over the function and invested the first Vice-Chancellor of the University Professor T. P. Meenakshisundaram, with robes of the Vice-Chancellor. Vice-Chancellor is also seen in the picture.

Madras State itself is in a somewhat happier position than the country as a whole and several other individual States. The figures of foodgrain requirements, the target of production of foodgrains and actual production in the last year of every plan period for Madras State are given below :—

	First Plan	*Second Plan*	*Third Plan*
	(IN LAKHS OF TONNES OF FOOD GRAINS.)		
Requirements	..	..	70*
Targetted Production ..	36	57	70
Actual Production	44	53	65

* 60·5 actual + 10 to provide for adverse conditions.

Madras can be considered to be marginally self-sufficient in foodgrains and given normal conditions, should not be dependent on imports from any other State. As far as rice is concerned, however, there has been a problem of consumer preference, especially in Madras City, for certain fine varieties grown only in Andhra Pradesh. As against this is the fact that the coarser rice grown in the Kuruvai season of Thanjavur is not generally consumed here but is being sent to Kerala. It was because the flow of finer rice from Andhra was impeded this time last year (1964) that scarcity conditions prevailed in the State at that time. Subject to these adjustments based on consumer preference, therefore Madras is, as has been said, a marginally self-sufficient State. This has been the result of planning in the first

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and second plan periods. Madras continues to plan for increased food production not only to provide for its increasing population but also to achieve and increase an exportoble surplus. These plans will be have to receive a new fiilip in the present emergency.

State's 1970-71 Target

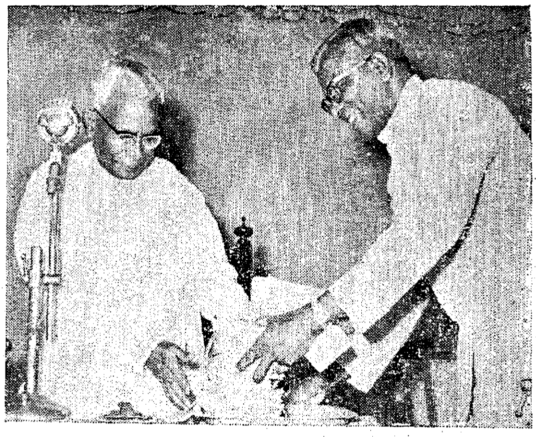
It has already been indicated that, in the third plan, Madras State aimed at an overall production of the order of 70 lakh tonnes in the last year of the plan. Actually, however, it was anticipated in the beginning of this year that an additional production potential of the order of about 13·93 lakh tonnes will be reached by the end of the year. On this basis, the production of foodgrains in the year 1965-66 should aggregate to about 67·07 lakh tonnes. Due to failure of seasonal rains in certain parts of the State it is unlikely however that even this anticipated production will be achieved. For purposes of projection in the fourth plan, however it is considered prudent to plan on the basis of an anticipated achievement of about 65 lakhs of tonnes at the end of the current plan. Though falling short of the plan target, this will represent a substantial step-up in absolute terms over the base level production. Of these 65 lakhs of tonnes, rice is expected to account for about 45·5 lakhs.

In the fourth five-year plan again the aim will be to provide (i) for a consumption of 18 ounces per head per day, this provision being made for the increased population, (ii) for seeds at 1·5 lakh tonnes a year, (iii) for an exportable surplus of three lakhs tonnes a year and (iv) for a margin of 10 lakh tonnes to offset seasonal vagaries and adverse seasonal conditions. On this basis, the minimum level of production of foodgrains to be aimed at by the end of the fourth plan will be of the order of 76 lakh tonnes. Keeping in view the potentialities for stepping up production along different lines, however it is considered feasible to aim at production of foodgrains up to about 82 lakh tonnes by the end of the fourth plan, representing an increase of 17 lakh tonnes over the base level of 65 lakh tonnes. Of these 82 lakh tonnes about 60 lakhs will be rice.

Extensive cultivation

The increase in production of foodgrains will have to come about both by the utilisation of lands not under foodgrain cultivation and by increasing the yield in lands already under cultivation by the adoption of improved techniques and use of improved inputs. Bringing additional acerage under foodgrain production has been sought to be achieved by the provision of irrigation facilities, both under major and minor irrigation schemes in every plan, especially in the first two. The area under rice went up by 45 per cent between 1950-51 and 1960-61. This is principally the result of the commissioning of a number of major irrigation projects like Lower Bhavan Project, Mettur Canal, Manimuthar Reservoir Project, Amaravathi Vaigai Reservoir, Krishnagiri Reservoir, Sathanur, New Kattalai High Level Canal, Vidur Reservoir, Neyyar Project, etc. The average yield of rice per acre also went up by 24 per cent in the same period with the result that the total production of rice in 1960-61 was 80 per cent more than the total production in 1950-51. With the execution of the Parambikulam-Aliyar Project and some other medium sized irrigation projects in the third and fourth plans, in the utilisation of surface waters in the State can be considered to be completed except for what can be obtained by the diversion of flows from the neighbouring States.

There is thus little scope for major irrigation projects and any attempt to bring more lands under foodgrain cultivation can be based only on minor irrigation projects. This has been realised in the third plan and, to a greater measure, in the fourth plan. Provision has been and is being made for the sinking of more and more wells and the installation of pumpsets in more of the existing wells and in as many of the new wells as possible. The maintenance to standards of the existing minor irrigation tanks in the State is also being given prime importance. But the principal emphasis will have to be on the judicious use of underground water sources and the provision of facilities for lift irrigation especially with the use of power. The fourth plan of Madras State postulates the connection to power of nearly half of the total number of irrigation wells in the State by the end of the plan period. The total gross irrigated area of 89 lakh acres as estimated in 1965-66, is expected to increase, as a result, to nearly 101 lakh of acres at the end of the plan period. The extension of cultivation through reclamation of cultivable



A sum of Rs. 1,66,292·13 contributed to National Defence Fund by the Teachers and Students of the Secondary and Elementary Schools in Madras State, was presented to the Chief Minister on 26th January, 1966 at a Children's Rally, held at the Presidency College Grounds, Madras. The Director of Secondary Education is presenting the amount to the Chief Minister.

waste and fallow lands offer very limited scope in this State as land utilisation is already at a fairly high level. It has been calculated that it might be possible to reclaim only about 7 lakhs of acres in the whole State and this has been provided for in the plan.

Intensive methods

The limited scope for extensive cultivation emphasises the need to concentrate on intensive cultivation methods, that is to say, on the application of increased or improved material inputs to lands already under cultivation. These will have to be in the form of improved varieties of seeds, selected and well processed seeds of whatever variety, manure, chemical fertilisers and modern plant protection measures. They will have to be backed up by timely credit and technical guidance. Considerable research has been undertaken in recent years for evolving high yielding hybrids of Paddy, Cholam, Cumbu and Maize. A Japanica-Indica Paddy, named ADT. 27, released last year for pilot trials and cultivated over 5,000 acres this year in the Kuruvai season in the Thanjavur delta, has given very good results and promises to be the basis for a considerably increased yield of rice in the Kuruvai season in the delta in coming years. As against an average yield of 2,400 lb. per acre of paddy in the Thanjavur delta, this variety is expected to yield about 3,500 lb. Other improved varieties of paddy have been and are being released both for general cultivation and to suit special areas and seasons. The Government of India have suggested the cultivation, on a large scale, of a variety of rice got from the Philippines by name Taichung Native-I, which has been reported to give extremely high yields. All these new varieties are responsive to heavy doses of chemical fertilisers, especially Taichung Native-I. Where the normal local varieties lodge with consequent loss of foodgrains when subjected to heavy fertiliser doses, these varieties are non-lodging at higher fertiliser levels. A new hybrid Cholam named ' CSH. 1 ' has been evolved to produce three times the yield of normal cholam and is able to take heavy fertiilser doses. A hybrid Cumbu capable of yielding three times the yield of normal Cumbu and a hybrid Maize called ' Deccan ' capable of yeilding 4½ to 5 times the yield of normal Maize, have also been developed and will be spread in the coming plan period. All these are expected to contribute in a large measure to increased foodgrain production.

The production and distribution of good seed of whatever variety of foodgrain is grown is essential to ensure good yields. A comprehensive seed multiplication programme is therefore a must in all agricultural production plans. A number of State Seed Farms are being run to produce good primary seed which can be multiplied in farmers' fields and distributed to producers. The aim is to increase the coverage with improved seed during the fourth plan period to about 60 lakh of acres under paddy and 28 lakh of acres under millets. This will involve increasing the number of State Seed Farms by about 20. At present the primary seed is multiplied by selected farmers and the secondary seed thus produced is distributed to all farmers. Alternative measures for multiplication of good seed such as concentrated seed production in selected areas and the establishment of a State Seed Corporation are under consideration.

Green manure

The balanced use of manures and fertilisers is a crucial element of any programme of intensive cultivation. The judicious combination of organic manure and chemical fertilisers is a highly effective means of increasing production in a substantial and rapid manner. Since it will take quite some time for the country to achieve self-sufficiency in chemical fertilisers and since import is not going to be easy, we will have to concentrate on the production and use of green manure. As far as chemical fertilisers are concerned, the demand for these has been going up steadily in recent years. With the introduction of high fertiliers responsive varieties of paddy and millets, the need for chemical fertilisers will be even greater. The State's needs in the last year of the fourth plan are expected to be 1½ lakh tonnes of nitrogen and nearly a lakh ton P2O5. Providing for the supply of this quantity and its proper and timely distribution have been given importance in the State's plan.

Plant protection measures are coming to be recognised as essential for ensuring satisfactory production. The tendency to use insecticides and pesticides only after attacks have occurred is slowly disappearing and the importance of prophylactic measures is being recognised. Provision will have to be made in any plan for the use of larger quantities of pesticides and insecticides and a larger number of equipments like sprayers and dusters.

Adequate and timely credit will have to be ensured if farmers are to make use of improved inputs and maximise foodgrain production. The recognition of this antedates even the beginning of planning as the fostering of the co-operative movement in this State will show. The credit structure is being strengthened through the co-operative sector and the endeavour in the fourth plan will be to see that the credit needs of every farmer are met in time and in full mainly through co-operatives.

Package approach

The adoption of ' Package Approach ' for increasing the production of foodgrains by the use of improved inputs and with the help of adequate credit is an important feature. The package programme

under implementation in Thanjavur has shown good results. The principle feature of this programme is the preparation of individual farm plans for every farmer as the basis for assessment of his requirements and the supply of these requirements under departmental supervision. The assessment of the requirements of all farmers in an area and ensuring of the provision of these requirements in time have led to gratifying results and the package approach is to be extended to more districts, especially to the irrigated areas, in the coming years.

All these programmes for increasing food production will need the participation and enthusiastic co-operation of the local community in general and the individual farmer in particular. This has to be ensured through the efficient use of the panchayat organisations. Agricultural extension work will be rendered easier by the participation of the local community in the production programmes and the panchayat organisation should marshall the local people for this purpose.

Subsidiary food

The present food problem has also highlighted the need for reducing dependence on cereals and for increasing the consumption of subsidiary foods, particularly vegetables and fruits. Special Vegetable Development Schemes in all big towns in the State are already under implementation and these will have to be stepped up. Growing of vegetables wherever possible should be taken up by the people and students can help in making the people realise the need for intensive effort in this regard. A programme for growing vegetables in available open spaces in educational institutions can be taken up by students. The supply of improved verieties of seeds, plant protection equipment and technical advice will be provided by Government. Production of other subsidiary foods like potatoes, sweet potatoes, tapioca, etc., has also to be stepped up by increasing the areas under these crops and by offering necessary assistance to those who come forward to grow them. While reducing the dependence on cereals, the increased production of vegetables, fruits and other subsidiary foods will also diversify the pattern of food consumption and promote balanced nutrition.

Poultry and fish as subsidiary or even as alternative foods have assumed increasing importance. Poultry rearing is also an importance source of subsidiary income for the poorer section of the population. Additional impetus is to be given in the fourth Plan for poultry development on a large scale. Similarly the development of both marine and inland fisheries has been and will continue to be an important part of our development plan. It is necessary in the present context to make more and more people realise the nutritive value of these items of food.

Appeal to young people

In the context of the present campaign for self sufficiency in food and the association of the student community with such a campaign, it would be relevant to mention the 'Young World Mobilisation Appeal' launched by the Food and Agricultural Organisation recently. This calls upon young people to devote 21 hours of their time over a period of 21 weeks to Freedom From Hunger Campign Work. The figure 21 has a symbolic value—indicating the 21st year of the existence of the United Nations Organisation. The principal item in this programme is the formation of a small learning-*cum*-action club of students of high schools and colleges. Each of these clubs is to undertake some programme, such as kitchen, gardening, poultry farming, compost making, fumigation of crops, drainage of waterlogged areas, destruction of flying foxes, rats, rabbits and rodents and such other menace. This is an action-*cum*-learning programme and practical work as well as study and observation will constitute the core of the project. The students are expected to pursue specific organised activities which will inculcate attitudes conducive to international understanding and co-operation. The club should have an important place in school and college activities. Its membership is open to all. It is to be run under guidance of a teacher or professorl. All the members of the staff can be asked to take an active part in its activities. While it is not the intention that the projects taken up by the students should be target-orientated, it is expected that they will be of great educational value. A number of schemes and projects, therefore, could profitably be taken up by educational institutions. both in the category of action projects and informations *cum*-study projects and it is hoped that they would provide an opportunity for students to understand and appreciate the problems on food production in all its aspects.

Economy is the parent of integrity of liberty and ease.

Dr. JOHNSON.

HOLDING THE Price LINE

DR. B. NATARAJAN, M.A., D. LITT., M.L.A.

The first question that arises is : Why hold the Price Line ? Is absolute price stability desirable and possible ?

The evils that inflation brings are a familiar theme of economic text-books. It upsets contractual obligations, creates loss of confidence in the currency, stimulates flight out of money into bricks and steel, harries the fixed income groups, and when carried to extreme lengths, destabilizes societies to revolutionary situations.

Role of inflation

But the good that inflation does is " of interred in the bones " of prosperity. Historically periods of rising prices are associated with expanding economic activity. The Industrial Revolution in Britain after 1780, the high tempo of British economic activity from 1890 to 1913, the boom in investment in France and Germany after the First World War, the rapid economic growth of Japan from 1870 to 1913, the phenomenal growth of the Soviet economy during the first three Five-Year Plans, were all growth achievements of inflationary phases in those economics.

On the other hand, falling prices and stable prices are associated with stagnation and economic depression.

It is true that the " German miracle " was one of growth with stability. It was able to achieve a growth rate of over 8 per cent in the postwar years with reasonable stability of prices. But during the same period the U.K. economy had to resort to inflation of sizeable magnitude to achieve a growth rate of 3 to 5 per cent. The German economy had an inherent technical dynamism which the U.K. economy did not possess.

Growth with stability is thus a luxury. A fast growing economy like Germany could afford it. But for a weekly progressive economy, stability of prices would be dangerous to aim at. Where growth rates are already high, profit rates are also high ; and hence a continued higher growth rate. But where the growth dynamism is halting and slow, profit rates can be kept up only under the stimulus of rising prices. For, periods of rising prices are periods of rising profits. Had the U.K. economy not restored to inflation in the postwar years the profit rates there would have been smaller ; and low profit rates would be inadequate inducement to invest.

A Small dose

This is not to argue that galloping inflation is a desirable objective. The human misery it engenders is sometimes incalculable. Nevertheless, a small dose of inflation has a stimulating effort on economic growth. It helps faster capital formation, fuller employment, and an all-round feeling of optimism. The point I wish to stress here is that the unduely alarmistic attitude adopted towards inflation is often unwarranted. Provided inflation is used for capital formation, and in discreet doses, and for investments whose gestation periods are relatively short, it is unobjetionable. Nay, for developing economies, I hold it is even essential.

If so, what is the optimum does of inflation an economy can bear ? Some writers put the limit at a 5 per cent rise in prices a year, on an average. Some of the Latin American Countries have been experiencing annual price rises of the order of 10 per cent and above ; yet their growth rate has been in the range of 3 to 5 per cent.

All this is but empirical. The size of the optimum dose of inflation for an economy depends on several factors : its inherent growth dynamism, the psychological attitude of the people, the relative price movements of different sectors, the size of the export surplus and so on. An economy with a rapidly growing technology can do with homeopathic doses of inflation. Where the objective of full employment or the desire for rapid rehabilitation, or the dangers to national security animate a large mass of the population, a sizeable dose of inflation may be cheerfully borne. In a predominently industrial country, if the effect of inflation is to raise the prices of food grains disproportionately, the wage

earners and the urban groups will not stand for a large dose. The reverse would be the case in a predominantly agricultural country. A country with a big export surplus can be content with a mild dose, while a country with a narrow surplus or an export gap will inevitably have to face a heavy dose.

II

The malady of inflation goes under different names, monetary inflation, demand inflation, cost or price inflation, wage inflation, profit inflation, growth inflation, etc.

Monetary inflation

Monetary inflation is said to be caused by excessive supply of money in relation to the goods available in the community. "Too much money chasing too few goods" is the time-honoured and picturesque description of the phenomenon.

In actual fact, the association of inflation with increased currency circulation is hang-over of the nineteenth century carousal of the Quantity Theory of money. It has a great hold over the popular mind and dies uncommonly hard even among economists. It is like "a cat with nine times ninety lives however many times discreted, never to die". It has been pointed out time and again, that the ratio of money supply to gross national product of a country has nothing to do with the inflationary pressures operating there. The ratio, of money supply to G.H.P. in India is 21.54 per cent (1962-63). In U.K. inflationary pressure is less, the ratio is higher at 42.66 per cent. In Mexico where the pressure is higher than even in India, the ratio is smaller at 13.04 per cent. There is no systematic connection between money supply and prices. Considerable variations in money supply can take place without inducing marked effects on prices.

It is therefore not created money that is the villain of the piece, but the fiscal act of Government spending in excess of its receipts ; and the effect on prices would be the same whether the excessive spending is financed out of created money or borrowings. Therefore no solution can be looked for to Holding the Price Line through a contraction of money supply. "Money," in the words of the Radcliffe Report "is not a dictator, but a market operator".

Demand inflation

This takes us to the price phenomenon induced by excessive spending or demand inflation. An excessive pressure of demand for resources of all kinds develops when expenditure on capital account exceeds the current savings in the economy. This, in turn, induces cost inflation, and wage inflation. In a developing economy the act of excessive spending takes the form of growth inflation. Here, the development of the different sectors of the economy is disproportionate and although the overall pressure of demand is not excessive in relation to available resources, the pressure is greater in certain key sectors of the economy like agriculture.

A scene from the Manipuri Dance troup performances in the city.

These causative factors—excessive pressure of demand inadequate savings and disproportionate sectoral development are cumulative in their incidence on the price level. The nomenclature of the particular variant of the malady depends on what the originating major cause is identified to be.

Indian scene

In India the current inflationary scene is a combination of a demand-generated inflation of food prices, a cost-generated inflation of prices of industrial raw materials and imported equipment, and a wage-generated inflation of rising wages, manifesting itself as a growth inflation basically emanating from an excessive expenditure over current savings, and a disproportionate development as between the different sectors resulting in an unbalanced Growth of the economy.

The impact of the forces of excessive spending, low savings and unbalanced growth did not show itself until 1964. The first two Plans could be completed with an average price rise of less than 5 per cent per annum. The excess of spending over current saving were kept within manageable proportions. But when in **1963**,

to the needs of development were added the sudden spurt in the demands for defence under the threat of Chinese aggression, creeping and intermittent inflation threatened to assume the complexities of a spiralling inflation. And when the impact of these forces came heavy on a stagnation in farm output owing to natural and other causes, food prices rose to unprecedented heights. The consequences of an Unbalanced Growth began to manifest themselves in their full fury.

III

A complex malady requires a combination of remedies. The main points at which the problem has to be attacked are, reducing the excessive expenditure over current savings, increasing the quantum of savings, and redressing the imbalance in growth by augmenting food production. Towards the achievements of these ends there are primarily three instruments : monetary policy, fiscal policy and price policy.

Monetary policy

Monetary policy, it should be repeated, does not consist in contracting the volume of money. Its aim is to control the excessive expenditure, and promote savings. It is really an adjunct to fiscal policy. It operates principally through two mechanisms, the rate of interest and the credit squeeze. The effect of interest policy is a limited one in holding the price line. It can affect mainly the class of businessmen who are dependant on loans for their transactions. Even here, in a country like India, there is a vast unorganised money market and financial intermediaries like the private money lenders, fill the breach successfully. Interest rate cannot effect the large class of consumers and their purchases and its direct impact on the general

Sri G. Bhuvarahan, Minister for Information and Publicity, after his arrival at the Meenambakkam Airport on 27th January 1966 with the urn containing the ashes of late Sri Lal Bahadur Shastri. The urn was kept at Rajaji Hall, Madras for public homage till the ashes were immersed in the sea on 30th January 1966 the Sarvodaya Day

price level will be negligible. It is hardly the solution for inflationary pressures caused by other factors like low-production in the agricultural sector, and adverse export surplus. Even as a disincentive to excessive capital investment, it is doubtful if interest-rate policy is a competent weapon to deal with short-term situations. As for its effect on savings, Alfred Marshall said " that the annual investment of wealth is a small part of the already existing stock, and that therefore any one year by even a considerable increase in the annual rate of saving "—Principles of Economics (1938 Edn.p. 236). Subsequent empirial work on the subject does not appear to have disestablished this deduction. Interest rates, to have a significant effect on savings have to be appreciably high and of a long-run duration.

Credit squeeze is also only a halting solution. It has been the experience of some countries that trade credit is sometimes much larger than bank credit ; and where as in India the hire purchase system is not extensive a credit squeeze may not make much difference to consumer spending. Further, its hits are random. The firms affected are not necessarily those that deserve it. Credit squeeze has been compared to the droppings of bomb on a city's traffic system. " A few bombs may for a time close some traffic routes, but there are always ways round . . . . Firms seriously affected by a credit squeeze will be those who by accident are in a vulnerable position at the time of the squeeze. Many will be made more anxious, and most will be made more careful " (J.C.R. Dow : The Management of the British Economy, 1945–60, pp. 328–9).

A wage policy, too, has severe limitations. Demand for a wage rise is often an effect rather than a cause of inflation in the Indian situation. Demand for higher wages in a period of rising prices is seldom resisted by employees. Rather, it will be passed on to the consumers sooner or later in the way of higher prices for the manufactured products, so that the profit level could be maintained in tact. Schemes of wage-stop, wage-pause, and deferred wages have great operational limitations in an economy where prices of foodgrain are steadily on the upward, and where expenditure on food constitutes 60 per cent of the workers' family budget. The policy, further, cannot touch the millions of agricultural workers and self-employed persons. Wage control is no answer to rising prices caused by excessive spending over current savings and to disproportionate sectoral development.

Fiscal policy

Fiscal control is, no doubt, a more efficacious instrument. The Indian Government has succeeded in raising India from a 5 per cent saver to a 12 per cent saver, largely through measures of stiff taxation. To

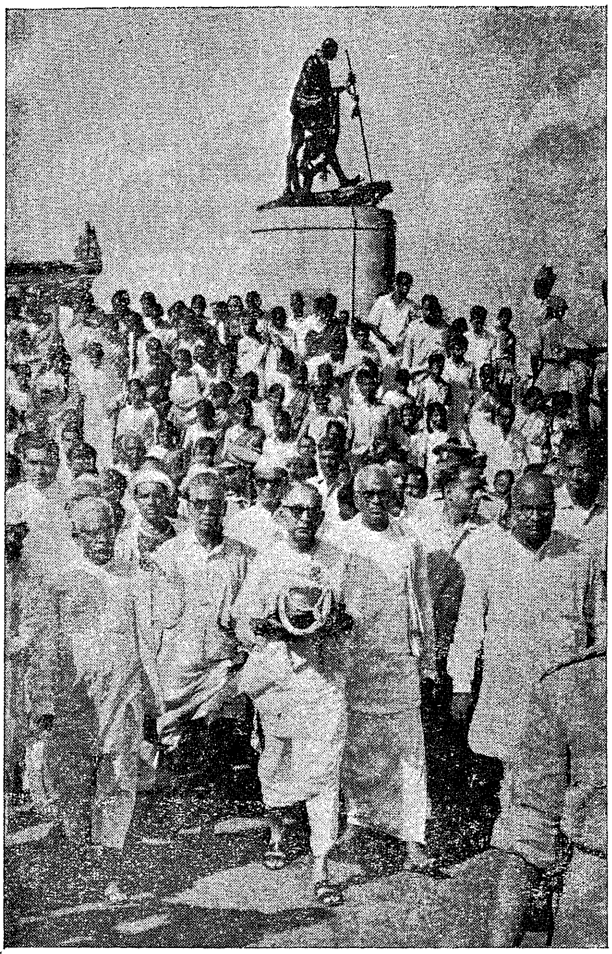
this extent the tax policy, on the whole, had had an anti-inflationary effect. But it cannot be said that in selecting the heads of taxes, or the magnitude of the tax rates, tax policy has been primarily informed by the desire to check prices. The principal aim was to raise additional resources and in the pursuit of that aim the forces making for increased savings and investment may sometime get hurt. A fiscal policy geared to anti-inflationary effects has to be selective, flexible and applied withspeed; and in the absence of adequate statistical data, a great deal of judgment is involved. One serious limitation to fiscal policy is the need to keep the net profit rate of enterprises at the incentive level. If changes in taxation make inroads on the minium level of profits—which may be put down as equivalent to the prevailing interest rate-savings and investment would be affected. Alternatively, additional taxation may lead to prices being raised to maintain the net level of profits intact. So, either there may be a recession or development of fresh inflationary pressures, if judgment goes wrong. Sometimes both may occur, sectoral rise of prices and overall dampening of the economic climate.

In a country like India, the field for direct taxation is limited. The bulk of taxes has to be indirect, and democracy faces important political constraints to indefinite taxation of consumers. The impact of additions to taxation even on consumption is always not "once-for-all", as is often supposed to be.

However, there is a vast field for the exercise of fiscal controls in regard to the quantum and timing of public investment and public expenditure with significant impact on the inflationary potential. Postponements or go slow of projects with long gestation periods, and completion of projects with quick yielding prospects are the lines on which an investment policy can be re-thought out. The whole range of projects requires to be closely re-examined, and an order of fresh priority has to be worked out in detail.

Public borrowing

Fiscal policy through public borrowings can exert a major influence on the Price Level. During the first World War, most countries depended primarily on taxation, and only secondarily on borrowing to finance war. It has been estimated that only one-fifth of the financial requirements of all belligerents during World War I was raised through taxation. All the rest was borrowing, mostly from banks. The memory of the inflationary wave thus created in postwar years served to limit the share of bank loans during Second World War. In the U.S.A., between the years 1941-46 borrowings amounted to 54 per cent of the total war finance, and of this banks contributed 23 per cent and inflationary pressures were kept under some check.



Sri P. Chandra Reddy, Governor of Madras, is carrying the urn containing the ashes, before immersion in the sea near Gandhiji's statue, Madras, on 30th January 1966 by the Governor of Madras; Chief Minister and other Ministers participated

In India, it is gratifying to note that roughly 50 per cent of the Plan resources had been financed by taxation and contribution from Public enterprises. The contribution of public borrowings did not exceed 20 per cent. Of this, the share of small savings and market loans may be said to be fifty-fifty. In other words, about 10 per cent of the total plan resources is from genuine Savings represented by Small Savings and 10 per cent is subscribed by the banking system. The share of individuals hardly amounted to 3 per cent. To the extent that fifty per cent of the market loans were financed by the banking system, there has been addition to inflationary pressure. The share of Deficit Financing for the Third Plan has been originally planned at Rs. 550 crores, but later an addition of Rs. 300 crores was considered necessary. In all, about 16 per cent, of the plan financing was definitely inflationary. Then there is the borrowings through treasury Bills for the current operations of Government, which when funded has a cumulative impact on the inflationary potential. In other words, roughly about 20 to 25 per cent of the resources required for the Third Plan was financed by inflation directly and indirectly.

The share of inflationary finance can be reduced, if greater efforts are directed towards mobilisation of Small Savings. This contributes roughly, 10 per cent of the additional resources required. More accurately, Small Savings contributed 13·4 per cent of the total domestic resources to the First Plan, 11·4 per cent to the Second and 11·3 per cent to the Third. In fact it has done as well if not better, than market borrowings; and it is here that more may be expected, particularly as the capital market for Government securities lies paralysed.

Savings

Personal or Household Savings in India bulks large. It is estimated at 78 per cent of the total savings, Company or Corporate Savings being of the order of 5 per cent, and Government savings, 17 per cent.

But again, over 75 per cent of the household savings in India is of urban origin; and the urban families save as much 16 to 17 per cent of their incomes. The rural households save only 2 to 3 per cent of their incomes. This is not because the farmer is less thrifty than the townsman. Rather, it is the other way about. But the per capita income in the rural sector is only half the income in the urban sector. The people who save in the countryside are mostly money-lenders, Government contractors, professional income groups, petty traders, and big landlords, whose number is dwindling. By and large, the majority of farmers hardly have a saving surplus.

One way of encouraging farmers to save is to introduce a scheme of crop and cattle insurance on a compulsory basis. Farm insurance is usually looked upon as a welfare measure. Actually it is a scheme for promotion of rural savings and a scheme for incentive production at once. Insurance is much more than a provision of security against nature's hazards. It is a compulsory savings device. It is seldom realized that one year's crop failure plunges the farmer into indebtedness from which he takes five years of belt-tightening to recover; and the death of a pair of bullocks by epidemic disease is a serious capital loss for him. There is no way out of this but through a scheme of compulsory savings in the farming sector. It makes the vocation of farming more stable, promotes rural thrift, and raises the status of farming as a mere way of living to that of a near business operation.

Productivity in agriculture

Thus far about the efficacy of fiscal policy in controlling public expenditure and promoting savings. But they do not touch the problem of Unbalanced Growth. Unbalanced growth can ultimately be tackled only by increasing productivity in agriculture. So far, our efforts in the field of agricultural planning has succeeded mostly in extending the area under cultivation and irrigation rather than in raising per acre productivity. It may be true that the growth rate in the agricultural sector during the last 15 years favours comparably with growth rates in the agricultural sector in Britain and Japan during the corresponding periods of their growth history. But our problems are a bit different. Countries like Britain had a flourishing overseas trade and the buying power to import food. Japan supplemented its rice production with heavy catches of fish. For India, with an acute foreign exchange crisis facing her, increase of demostic production is the only answer. In this situation neither monetary nor fiscal controls alone would be adequate to check the speed of inflation. They may perhaps do for United States, or Australia or Canada or New Zealand which have food surpluses. They may also help in U.K., or West Germany or Belgium or Switzerland who can all afford to buy food from outside without upsetting their foreign exchange position.

Education from below

But increasing food production is not the work of a day. To grow two blades of grass where one grew before requires the application of technology to agriculture. Improved seeds, more chemical fertilizers, better implements, ampler irrigation facilities—all these require education from below, and leadership from above, and that takes time. Other countries have taken 20 and 25 years to raise the productivity of land appreciably.

In the meantime the existing output has to be shared equitably. Rationing is the word that readily leaps to our mind. It can no doubt absorb the pressure on foodstuffs appreciably. But the evil it produces are a legion. It gives rise to extensive black market operations. Anti-social behaviour becomes almost universal and furtively acceptable, and that erodes abidingly into the finer value system of a society. Control of foodstuffs means control of sixty per cen t of the consumer expenditure. Even in the period of tightest control in Britain, its coverage did not exceed thirty per cent of the consumer expenditure. To attempt to do anything more than that would be unworkable. Rationing of 47 millions of people, on a nationwide scale, shall try the mettle of any administrative machinery that the human ingenuity can devise. Corruption shall be permanently woven into the bones and tissue of society.

However, rationing has its value as an anti-inflationary measure, provided its scope is limited, and duration temporary. I am not sure if a ten per cent deficit in foodstuffs should call for a nationwide rationing. But there are the urban pockets of industrial workers, and low-fixed income earners whom rationing should cover. Even here, much of the distribution work can be entrusted to organised establishments of employers. This will not only ease the strain

on the administrative machinery, but will bring about a sense of participation among the influential sections of the community, and thus would pave the way for the success of the measure. Nowhere is the success of a Governmental measure dependent to a greater degree on the consent of the governed than in a scheme of rationing.

Partial rationing

If the argument above for partial rationing in selected urban pockets is conceded, the case for monopoly procurement loses its force. A graded levy from farmers would be adequate.

But control to be affective must be dynamic. That is, the procurement prices fixed for the farmer's produce should not only be just, and remunerative, but should also be capable of providing incentive to increased production, and encouragement to increased market arrivals. In much of the current thinking on Agricultural Price Policy, only the first two objectives are dominant. But a Price Policy in the agricultural sphere has meaning only if it is effective in the short run in achieving the latter two objectives as well.

Rationing and price control have had a stultifying effect on food production in countries like Russia and Czechoslovakia, because price policy in agriculture was largely geared towards the promotion of growth in the industrial sector. Such a policy pursued in India would only intensify the imbalances in growth. In the short period, agricultural output would appreciably respond only to an incentive price scheme, and so would market arrivals as well.

There are economists who argue that better prices for agriculture in a country of subsistence farming may not have a sensible effect on the small farmer's output, and may even result in contraction of output. Emperical studies, of late, disprove this. The theory makes nonsense of the vast extensions that have taken place in the monetisation of the country's economy during the last few decades, and totally ignores the resource allocative function of prices in the agricultural sector.

Price control

A price policy that will combine justice and remunerative objectives with incentive and increased market arrival objectives has necessarily to be a double-barralled gun, both for procurement and for price determination. The achievement of the first two objectives would call for procurement through a graded levy at controlled prices that will cover the cost of production. This shall be only for a part say one-third, of the farmer's output, just enough to meet the requirements of strategic urban pockets. The rest of the farmer's output is to be left with him to be sold in the free market. Such a Dual Price Policy has been a resounding success in Poland. Under this price regime Poland has not only succeeded in converting a good deficit into a food surplus, but has also been able to achieve the position of food exporter to United Kingdom in a period of less than five years.

The key

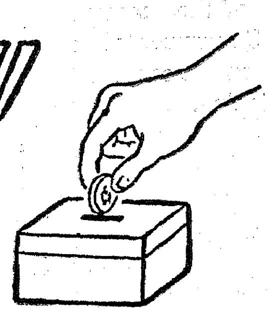
A price policy which holds the price line for food grains holds the price line for the entire economy of India. But it is also true, that a price policy which augments market arrivals and promotes increased food production holds the key to redress the imbalance of divergent sectoral growth. A combination of these objectives is the Dual Price Policy for agriculture sketched above. While monetary and fiscal measures may operate in the field of controlling excessive expenditure over current income, and promotion of current savings, a solution to Unbalanced Growth can be looked for only in a Price Policy that possesses an inherent dynamism of its own for achieving faster rate of food output.

The Perils of a ' wage-goods gap ' as the phenomenon of Unbalanced Growth is described by some economists, are real. Albert O. Hirschman thesis that imbalances are a strategic factor for growth, and that if no imbalances develop, we should create a few may perhaps be applicable to economies where challenges bring their instantaneous responses. In developing countries like India, imbalances far from stimulating economic development, may atcually raise obstacles to growth. The imbalance we face to-day is one such phenomenon, and it can be redressed only by devising measures that have an insight into the psychology of the farmer, and his sociological background. Satisfactory price relations between input and output, adequate reward for initiatives, and provision of secuirty in the agricultural sector are important ingredients in a planned programme of Holding the Pirce Line.

The food front today is almost as vital as the military front

—Sri LAL BAHADUR SHASTRI.

Role of Small Savings



DR. S. VIJAYALAKSHMI, M.A., M. LITT., Ph. D.,
Vice-Chairman, State Advisory Board for National Savings

The Small savings of the millions have to play a very important role in financing the plan. This is not only necessary form the point of view of raising additional resources for developing our economy but also to make as large a number of our countrymen as possible partakers in this vast enterprise building up our country.

" We must add greatly to our Savings by the purchase of bonds to help finance production and meet the increasing cost of National Defence."

— *Jawaharalal Nehru.*

Development has, become a dominating question of the day in, all the under-developed countries. If development means industrialisation and better farming methods, it also mean change—change in the outlook, approach and attitude of our people. In the past, India and the Asian Communities were not for any change.

Unlike those days, with the advent of freedom, the people have been awakened to a new consciousness of their needs and rights. They ask for more for every region and for every section, draw pointed attention to regional disparities. Their demands and claims pile up. But very little comes out of their current incomes for the purpose of investment in the developmental plans. This handicap will slowly disappear when every unit of the population participates and becomes a willing partner in the national efforts.

Savings for investment

Most of the under-developed and developing nations to-day want all the facilities obtaining in the welfare States of the Western world with old age pension, full employment, insurance, family allowance, health insurance and all the measures of social security that go with the citizens in a developed country. The process of modernising the social life and converting a country like ours from a stagnant and agrarian society into a self-generating well-developed modern economy is by no means a painless one.

Since economic development means investment, investment would mean capital resources; more capital resources require larger accumulation of savings in the community. In all the under-developed countries there is a shortage of capital. In India, for example, the limited supply of resources while impose on her slower rate of growth, the population is on the increase year after year.

Traditional method

There are three possible ways of capital accumulation, which had been resorted to, in all the under-developed countries wanting to develop. The first is the traditional capitalist method. Even here, broadly speaking there are two recognised ways of accumulation of capital. One is by uprooting peasants from the land. In England the beginning of capitalism has always been traced to the enclosure movement, when land was encroached upon by the landlords and the peasants were driven out. This process of throwing out peasants made workers available for facotries at cheaper wages. So some form of enclosure movement had always assisted in the process of capital accumulation and industrialisation in which case a farm labourer is forced to become a factory hand !

The other traditional method was through the creation of a reserve army of unemployed. The number of workmen must always exceed the jobs available. Unless the workmen run after jobs instead of jobs

(87)

running after them, there would be rise in wages. Workmen would start dictating terms. An employer can get his way only when there are many men desperately running after a few jobs. This process enables the capitalist to maintain his primacy and accumulate enormous capital to start and invest in new factories. It was crude exploitation of labour and a very grim spectacle too. The primitive methods of capital formation was thus through an atrociously long hours of work and low wages, poverty, and unemployment.

The other process is the one that obtained in the dictatorial regime. It is a process based on the total mobilisation of resources both human and material involving forced labour, prison-camps and rigid and ruthless austerity. It is a method which could achieve quicker results at a greater speed. Economic development takes place under this political system through forced collectivization of agriculture and slave labour. Free men who are reluctant to accept the severe strain, the economic development would impose on them, would be removed and sent to prison camps and used up as labour force. None could criticise the terrible strain of economic development.

The alternative

The third alternative is to seek the co-operation of the people. This is known as the democratic process. Ours is a democratic structure with free people. The people will have to be plainly told that the process of economic transformation of India is not a painless one. It involves great sacrifices and imposes severes train on, them. The readiness to sacrifice for the country must come through the willing consent of the people. It may be questioned that how can common people be made to understand such abstruse problems of capital resources, savings and investments and about the pace and tempo of economic development. But democracy is inherently a political system that proceeds with faith in the human being. The accumulation of capital will have to be made by the efforts and sacrifices of the working people. People have to choose austerity and agree to hardship. During war years and during the years of post-war reconstruction the British people accepted austerity and hardship democratically.

It is normal practice for the developing nations to plan their national requirements between loans—foreign and domestic, taxation and savings and deficit financing. The strain of development may not be felt if adequate foreign assistance is obtained. But again there is bound to be limitation attendant on such an assistance. Foreign aid and loans become essential for building up heavy industrial plants for which we also need technical know-how from abroad. But reliance on external resources again is governed by balance of payment considerations. Deficit financing beyond a point raises prices of commodities and cost of living. The only alternative for the Government to mobilise internal resources is either through taxation which is compulsory or through the savings of the community which is voluntary. However essential it may be, further tax efforts may not be welcome. The question that the common man might ask is could tax target not be reduced ? Hence, the extent to which we are able to raise funds through the voluntary efforts of savings, to that extent the pressure of taxation will be relieved by keeping them at a minimum. The mobilization of little resources of the people through small savings is the most important aspect of our programme to augment our domestic resources for the plans. The success of the Plan will therefore depend in a large measure to the extent we are able to promote savings habit among the people and divert those savings for schemes of national development.

Restrain consumption

How are the savings to come ? Necessarily it may be said that it must come from the incomes of the rich and the privileged. This is a country where the people are not in a position to make any big savings out of their low consumption levels. In a country with low per capita income, the natural tendency would be for most of the increase in income to be used up for consumption. This tendency has to be curbed in the interests of development. Because the difference between the expanding production and stationery or declining consumption is savings.

Restrains on consumption, both by the community and Government, is vital for the success of the economic plan during the period of transition. It also depends on the traditional standard of living. Japan among the Asian countries is known for her austere way of living. It is said that the rate of savings that prevailed in the Japanese community even before the war was due largely to the traditional austerity of the Japanese people. It looks that if whole India were to have a living tradition as austere as Japan's the amount available for investment in plans would be amazingly double.

When we come to the building up of the savings of the Indian community—the Indians have to change the whole trend of their traditions and the attitude of the entire population—which is yet to become wholly literate. Even those whose life is one of subsistence—level or for whom life is one of struggle for existence, will by no means be free from certain traits that go with the feudal society involving much expenditure. It is here the National Savings compaign assumes special significance in educating and persuading the people to cultivate thrift habit.

In the past, most investments were direct. The peasant cultivated the land himself for with the help of his neighbours and relatives. Since what was required

was not large capital, but labour and hereditary skill, the only incentive to savings for several families was the need to provide for ceremonies connected with births, weddings, and deaths. The very fact that there had been some sort of savings does not automatically mean that there will be investment. Mere hearing of money is not saving. Nor wasteful expenditure constitutes investment.

Savings and Plans

In the First Five-Year Plan, the target for mobilisation through National Savings was fixed at Rs. 250 crores. For the Second Five-Year Plan, the target for mobilisation was fixed at Rs. 500 crores. For the Third Five-Year Plan, the target set for mobilisation of National Savings is Rs. 600 crores.

Our Government's commitment under the Third Five-Year Plan had been too heavy and the commitment under Fourth Plan is likely to be heavier still. The part of the gap in the resources position is to be made up through collections from Small Savings. Added to that the twin aggression has thrown a very heavy burden on Government. Over and above fresh taxation, and large scale borrowings by the Government, the Small Savings of millions of people have to play a very important role in financing the Plan.

For the whole country we have hardly 1·5 million income-tax payers out of a total population of 48 crores of people. Even if they paid their income-tax to the last Rupee, the annual capital requirement for economic development and defence effort cannot be raised. Therefore, Small Savings have become an integral part of the Plan resources. It is a good thing too, because the man with modest means can have the satisfaction of building up a reserve fund for his own future needs and liabilities while lending his savings for the twin objectives of defence and development.

To achieve this target concerted measures would be necessary to contact and visit every self-supporiting family and stimulate its savings. The Planning Forums in the colleges must engage themselves actively in cultivating and promoting savings consciousness among the families in their respective areas. The educational institutions can play a significant role in spreading the message of savings among the teachers and the taught. The support for the savings movement in a sustained and practical manner has to become an important item in the work and activities of every educational institution. The activities of the educational institutions can successfully create a congenial atmosphere for stimulating and stepping-up the savings of the community.

Pay Roll Savings

Industrial and Commercial establishments and plantations can make an effective and enduring contribution to the success of the savings movement through the introduction and organisation of the Pay Roll Savings groups among all categories of staff and workers. The industrial sector of the economy has to be organised fully for a system of savings effort. This is rendered easier if the heads of all the industrial units, commercial undertakings factories and plantations extend their active and continuous co-operation in the formation of Pay Roll Savings Scheme groups in their respective units. The payment of Wages Act and Minimum Wages Act have been so amended permitting the deduction of savings agreed upon by the workers and employees, from the pay roll and check roll. This method of savings promotion if accelerated and maintained in every industrial unit would help a steady flow of savings into the coffers of the State, apart from enabling the savers themselves to build a reserve fund for their needs and liabilities in the future. The Pay Roll Savings Scheme not only facilitates easy savings by employees but also develops the habit of thrift among them. Pay Roll Savings groups in large establishment should form an important part of the National Savings movement. They will have a larger membership than any other category or groups and can produce a large volume of savings whose flow will be steady and continuous for a period of years.

Cumulative Time Deposit

The Cumulative Time Deposit Scheme with its benefits is designed to suit all income groups and to those in the higher income groups with the added advantage of rebate of income-tax similar to Provident Fund and Insurance Premia. In view of the fact that the State has to augment its resources from the Small Savings to considerable extent from now on, every officer of the Government should take a personal interest in the savings promotion work by their personal participation in the Cumulative Time Deposit Scheme for becoming an example.

This organised and regular savings has another important contribution to make, i.e., to ensure stability in the commodity prices and expenditure. The extent to which savings habit is promoted and cultivated assiduously, to that extent, the spiral of inflation and high prices and rising cost of living could be checked. Restraint on consumption during a period of development is always advocated with a view to check the inflationary pressure and keep the soaring price-line at the lowest in an expanding economy.

Unwise spending

Our development projects are capital intensive and there will therefore be an inevitable time lag between investment and production of consumer goods. During this interval, while money will be available, goods will be scarce. Unwise spending by individuals at this stage would therefore raise the price of goods to the detriment of the entire community. Even from the point of view of keeping the rise of prices within reasonable limits, we should take steps to step-up the volume of savings within the community.

It requires tremendous effort on our part to convince people and win them over to our side, that means one must be in constant touch with them. Usually, the years of economic development in any country calls for greater austerity measures, restricted consumption practice or self-denial and severe discipline on the part of the people who are already experiencing hardshipon account of the plans. Curb is imposed on individual and family expenditure. Restriction is placed on the number of guests one could entertain. In England during the war years, Government stepped in with their control over commodities and purchase tax on goods to restrict the consumption. With the supply of commodities becoming less and less for the consumption of civilian population, they refrained more and more from buying the goods when its supply was scarce. The whole idea was to prevent the flow of money into the market to buy goods which are scarce. How in the developing nations, the people were prepared for a life of hardship, austerity and self-denial during the crucial years when they passed through the ordeal of economic development should be a guiding lesson to our countrymen. When money is withdrawn from circulation, the inflation is kept under check and it achieves the stability of commodity prices.

Government and official efforts to encourage savings in the community or intensify the scheme could succeed only in a limited way. In popularising the aims and objectives of the savings movement and expanding it, the non-officials and non-official bodies and voluntary agencies therefote have a very significant and vital role to play.

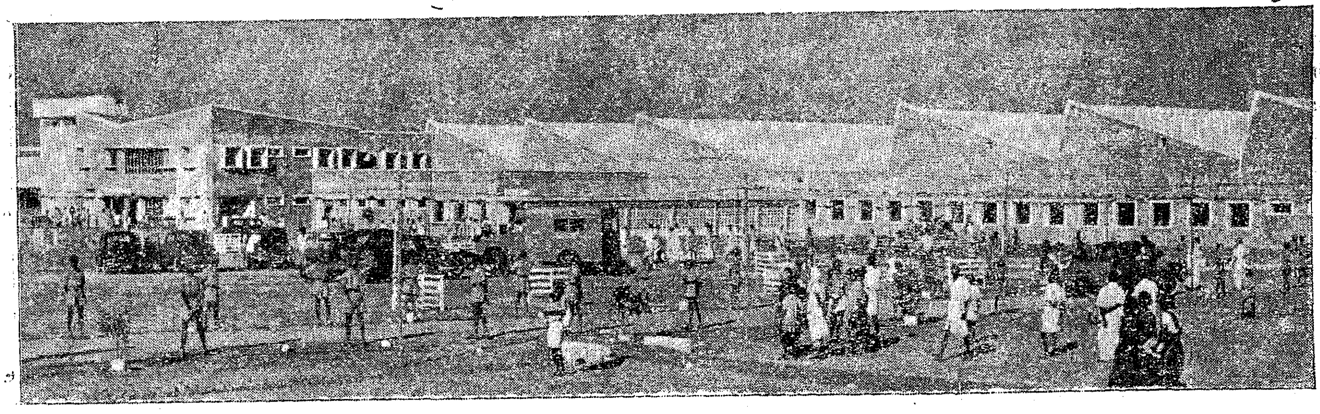
In recent years, the rate of savings have gone up and it now amounts to about 11 per cent of the national income as compared to about 8 per cent just before the end of the Second Plan and 5 per cent at the beginning of the First Plan. We have however yet to go far to reach the rate of Savings which will secure a balanced growth of economy, viz., about 20 per cent.

There is no easier or better way for the common man to identify himself with the country's progress and strength than by actively participating in the Small Savings movement. The extent to which we involve the common people in this movement; to that extent this movement will be the full index of the people's faith in plan and economic development of their country.

People's Participation

Thrift promotion and securing the voluntary participation of the people in national development by persuading them to invest their savings in the Government is the only method to tide over the difficulty caused on account of the dearth of capital. The process of capital formation can be quickened by the participation of large number of employed persons in the savings campaign. This is possible when we spread the message of savings in factories and offices, in schools and educational institutions, in towns and villages where men, women and children live together and work together.

If the proper mobilisation of the savings of the community is systematically done at home, the economic growth is no longer a mystery. If the people realise that, they must also contribute at least a little out of their current income by way of savings for the development of their country, then the savings is no longer an impossibility. It is an intellectual discipline which is not beyond our capacity of understanding. The community desiring to develop economically must be willing to severely curtail expenditure on festivals, ceremonies, items of conspicuous consumption, feasts, etc. What is needed at once is the public opinion in favour of the cultivation and practice of thrift which condemns such expenditure. A people working to build for the future must be prepared to exchange the comfort of the well-spent leisure for back-breaking work; a patriotic people must exchange their ornaments for Gold bonds; a serious community wanting to develop economically must buy savings certificates than go in for costly jewellery and conspicuous consumption which means, reconciling himself or herself to a life of hardship and austerity.



Kamakshiamman Co-operative Spinning Mill was inaugurated by Sri M. Bhaktavatsalam, Chief Minister, at Kancheepuram on 4th February 1966 Minister for Industries presided. Sri O. V. Alagesan, Union Minister of State, declared open the Administrative Block of the Mill on the occasion.

How to Activise Planning Forums

DR. W. T. V. ADISESHIAH, M.A., Ph.D.,
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The idea of national development in India is based on planning, which is considered to provide the key to economic betterment. Over the past decade and a half, the efforts of the architects of India's prosperity have been unrelenting, as a result of which, each of the three Five-Year Plans so far envisaged by the Planning Commission has witnessed many phonomenal steps forward as compared with what had obtained before. Today, on the eve of the fourth Five-Year Plan, we are confronted with a national emergency which compels us to stop and think how we may reconcile our aspirations for national development with the pressing demand for national security. The clarian call of India's national leaders rings out to her sons and daughters, beckening them to rally round the banner of India, firmly and resolutely to back the country's defence services in an unflinching attitude of national solidarity.

Intelligent appreciation

The tasks of the Planning Commission are prodigious, the field of their endeavour extensive, and the directions, in which national development is capable of being achieved, innumerable. As one reviews the achievements of the past twenty years one is amazed at the pace of rapid industrialization, agricultural development, improvement in the standard of living and increase in national income. Nevertheless, of national planning it would be fitting to say that "the harvest is truly great but the labourers are few". Much is capable of being gained, but not many are setting themselves to the tasks of getting things done. This is undoubtedly the result of a widespread lack of knowledge and understanding regarding the stupendous tasks which India's planners have laid on the shoulders of the nation, and an inalequate grasp of the role of small groups and communities in the furtherance of the aims and objectives of the plans.

What is needed, then, is an intelligent appreciation by educated men and women, of the Plans as they touch the life of the ordinary man, of the various aspects of planning for prosperity, and a fervent motivation in every individual to contribute his share to the overall picture of national development as envisaged by the Planning Commission. All this calls for a large scale effort on the part of educated people in this country—and more especially on the part of young men and women studying in colleges and universities—to keep abreast of current trends in national development. The student community in India is particularly suited for this task, because they have the facilities of college libraries and contact with experienced professors who are always available to help them in gaining an intelligent understanding of plan purposes and plan prospects. The problem which thus calls for detailed consideration is: How may the student community be stimulated and activised in order that they may serve as the most influencial agency in promoting popular enthusiasm for and public co-operation in national development ?

Activising Planning Forums

Everyone will agree that activisation of planning forums in colleges ought not to be a random affair. A planning forum which works by fits and starts cannot be regarded as serving the essential purpose for which it is established. Quite frequently, the planning forum is buzzing with life for a few days, when its student leaders run around arranging meetings or organizing weekend camps, and after the feverish activity is hushed, everyone forgets about the planning forum. What is needs is a continuous stream of activity calculated to activise an increasingly large circle of students, so that by the end of the college year, the Planning Forum has exerted its maximum influence over the rank and file of the student body. This will be possible only when the programme of the planning forum is worked out in such a way that it steadily expands its influence over several groups in the student body.

A common failing with many a planning forum is that it tends to be predominantly a one-man show. It may be an unfortunate lecturer in Economics, or perhaps an over-enthusiastic senior student who

shoulders all the responsibility of drawing up a programme, announcing meetings attended by not more than a handful of students who come because they feel that they should support same friend, and eventually preparing a survey report or annual report which embodies the ideas of one individual who has merely put down on paper just those few things which happened to occur to his mind at the time he wrote the paper. Obviously, this is not the idea of a planning forum. The point and purpose of establishing planning forums is to secure the fullest possible participation of students in what the Planning Commission has set itself to achieve. The planning forum is an integral part of the process of planning which does not end with the preparation and finalization of the official document, submitted for approval to parliament. The planning process must necessarily include dissemination of the details of the plan to the people. The plan is meant for the people, not people for the plan. As such, the student community is the most effective agency, the vital channel of communication between the Planning Commission and the people. This being so, it cannot be that the odd man or women in the student body carries the entire burden.

See, Judge and Act

The proper approach to the tasks of the planning forum would best be summed up in three operative expressions—*See Judge, Act.* There is a great deal to be seen in the Plan as well as in the world outside where the ideas of the Plan are being executed. These must first occupy the attention of the student. Unless this is done, what follows will be the outcome of ignorance rather than intelligent understanding. The second step in the process is the act of judgment or evaluation. This is equally important, because certain matters which one may observe may call for student action, whereas certain others may not. More enthusiasm is not enough. The horse of enthusiasm will need to be directed and controlled by the harness of thinking. Men prompted and guided by a scale of values, action becomes meaningful and purposive. Let loose, with nothing to direct it, student energy is liable to be frittered away. The third step is to formulate a line of activity—constructive activity—which will further the objectives of the planning forum. It should be understood always that the Immediate purposes of any programme of constructive activities arranged by a planning forum are to provide for the student community opportunities to put their ideas into practice, to test the workability of their ideas ; and, by further exploration, to discover the solution to every-day social and economic problems. From all this it will be clear that the attainment of the objectives of the planning forum will necessitate three fundamental types of student initiative—Study by individuals, Discussion and planning, by groups and Constructive activities.

It has been laid down, as an essential requisite for all planning forums that every college in which a planning forum exists should build up a *Plan Information Centre* which will contain a good collection of books on planning, journals, magazines and periodicals which provide information on planning, Plan evaluation reports and charts, posters visual displays and other propaganda materials suitable for this purpose.

In many colleges, a corner in the library is earmarked for the Plan Information Centre, and students who use library are expected to acquaint themselves with the information laid out on the table. The inadequacy of such an arrangement will be evident from the fact that in a recent investigation it was found that not more than 62 per cent of the students in a college used the library at all. Barely half of these borrowed books regularly, and of those who borrowed books not more than a third read them, with the further limitation that only one out of every ten who read the books derived any real benefit as a result of the study. Although it may be true that the Plan information Centre exists as an aid to study of the Plan, the way it is laid out should be such as to kindie the interest of students. It needs to show up in a striking manner what planning means to the country, to its people, and to the region in which the student lives. Some suggestions are therefore made in order to reinforce the attractiveness of the Plan Information Centre—

(i) The location of the Plan Information Centre ought to be in a conspicuous place, preferably away from the college library.

(ii) Display counts a great deal in the modern age. Wall posters, coloured charts, and other methods of display to highlight the key features of the Plan should be put up on the walls, doors and other prominent places in the room.

(iii) A select group of artistically minded students, under the guidance of an influential and well informed nucleous, should set themselves to bring out from time to time—once every week, if possible—a fresh set of visual material—containing vital information regarding the Plans.

(iv) A liberal use of colour invariably adds charm to the environment. A few blackboards or sheets of black paper nailed to the wall, with inscriptions by coloured chalk will be just as effective as expensive drawing paper or poster colours.

(v) The room should be attractively furnished. This need not involve much expenditure. A collection of old *sarees* could be made up into curtains. Old cane chairs can be painted up in attractive colours. The floor can be covered by rush mats and the like.

An enthusiastic group of volunteers who will sit together and plan out how to provide interior decoration for the Plan Information Room can surely make a little money go a long way.

(vi) Periodical handouts and digests of Plan Information will of course be an added attraction. The college office should always help by providing stationery and cyclostyling facilities, provided some members of the planning forum will set themselves to design handouts, making the maximum possible use of paper space.

(vii) Keeping information laid on the tables up-to-date and neatly arranged is, of course, a responsibility which must be shouldered by a small group of students taking turns in keeping the Information Centre a popular attraction.

Discussion

The scope for student initiative in the organization of discussion groups and committees which undertake plans for outdoor activities is tremendous. The real difficulty is that in most colleges, there are so many other social, cultural and extramural activities, that most students find little or no time to spare for the activities of the planning forum. Nevertheless, it is always possible for those who are sincerely interested in this important avenue for national development to find the time to devote to it. Allowing 8 hours for sleep, 5 hours for class attendance, 3 hours for private study, 2 hours for recreation and 5 hours for relaxation, there are still, on the average, 2 hours per day or 12 hours in six days of the week which will need to be accounted for. Surely it ought to be possible for any student to spare one or two hours every week to give a little thought to the call of the planning forum.

With regard to discussion groups, the following suggestions are worth considering :—

(i) Discussion groups are most helpful when they are carefully planned and co-ordinated by a good leader. Often the group goes off the point or concentrates on one or two aspects of a problem. It is the responsibility of the leader to prevent such divergences.

(ii) Participation by all members is necessary if the group effort is to be worthwhile. The process of the discussion should be such as to stimulate participants.

(iii) The preparation of an outline followed by a few questions is always useful as an aid to an understanding by all off the frame of reference underlying the discussion.

(iv) It is useful for one person atleast to act as a catalvst, raising objections, pointing out flaws, or calling attention to the other side of the picture Carping criticism should always be avoided.

(v) Every participant should be made to feel that he has as much a right to his opinions as anybody else. The tendency for seniors or members of the staff to dominate the discussion should be discouraged. Staff should be present—if at all— as spectators or observers, not as participants.

(vi) Discussion ought to centre round practical issues, not theoretical considerations. As far as possible, the application of principles and efforts at problem solving ought to be the centre of interest in a discussion.

Programme

An effective planning forum will base its undertakings from start to finish on two important factors programming and programme evaluation. With regard to these functions, the following suggestions may be considered.

(i) Prior to the formulation of a programme, a realistic assessment of the purposes to be served by the programme and the practicable methods of serving those purposes will need to be thought out.

(ii) It would be better to develop a programme which starts on a small scale and gradually builds up action in larger dimensions.

(iii) Details of the programme should be relevant to the policy of the planning forum. If for instant there is need for an orientation towards defence, or industrialisation, or agricultural development, as the case may be, these considerations should receive due weightage.

(iv) Programmes should be formulated with due regard to the possibilities of securing the co-operation and assistance of other agencies in the college and outside.

(v) Evaluation of the programme in respect of positive gains that have accrued from its implementation is an important step to be taken.

(vi) Lessons learnt should be made known to the members of the planning forum and kept on record for further guidance.

Constructive Activities

By 'Constructive activities' is meant any undertaking which furthers the basic purposes of the planning forum. In this sense, dissemination of Plan information, group discussions, programming and programme evaluation would all count as 'constructive activities'.

DISSEMINATION OF PLAN INFORMATION

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The problem here is to make the Plan real and concrete to the students in order to help them understand the process at work, the philosophy and purposes behind the Plan, the rationale for the priorities adopted, the magnitude of the tasks involved, the ends to be achieved, in terms of physical targets as well as the qualitative change in the lives of the people, and the part that students can play in promoting the purposes of the Plan.

Informing Student Community

In conveying information about the Plan to students, it would be well to start with the immediate situation in which they and the country to which they belong find themselves and to interpret the Plan as an instrument of transformation and change. The nation is the means as well as the end of the transformation process. The students must be shown to be vital links in the process of change because they will be the future engineers, doctors, economists, teachers, workers, farmers and so on. The better qualified they are for their future jobs the quicker and better will be the change that they can effect in the economic and social life of the country. To be better students is itself a part of fulfilling the objectives of the Plan, one of whose principal constituents is education at all levels.

The task of the Plan forums should be to make students conscious of the larger national process at work and equip themselves to be active participants in furthering that process in whatever sphere they may be privileged to work.

In the dissemination of information about the Plan by the students to members of the public, the problem is to prepare the students for the task of conveying information to the special groups whom they will be approaching whether they are people in a slum or workers in a factory or the people in a nearby village. Unless the students themselves are quite well informed about the different aspects of the Plan, they will hardly be able to impart information to the members of the public concerned.

The best way in which the students could prepare themselves for this type of work is to form small groups specialising in one or other aspect of Planning. One group, for instance, could study Housing Projects, another could study Rural Development, a third group could study Family Planning, and yet another could take up study of Industrial Labour problems. In this way there will develop in each college, batches of students who will have intensive knowledge of one or other aspect of the problems of development in our country.

Practical work

Above all it is only by practical work among different sections of the people that the students can really learn the nature of the problems that have to be solved and the manner in which the different programmes included in the Plan are designed to solve them. Perhaps the best way for students to go about this task is to take up a certain slum area or a nearby village for study and for practical work among the people. This work can cover Family Planning, improvement of sanitation, adult education, a savings drive and general instruction in better living. A student group that adopts a nearby village for development purposes in co-operation with official and non-official agencies already working in the village can learn a great deal about the problems of rural development and also prepare the students who may have to work in the rural areas in one capacity or other for the tasks that await them.

However, the lines of positive action adopted by planning forum will need to be more dynamic, stretching out, as it were, like arms moved forward to embrace some part of the larger world outside the corporate body called the college. This is the reason why the Planning Commission has placed at the disposal of planning forums which undertake programmes of effective action, generous grants, so as to make possible a wide variety of constructive activities. Student initiative in establishing contact with the people is encouraged. Work camps, social surveys, visit to rural or tribal areas, industrial concerns and co-operative social welfare agencies are given priority. It is expected that in the course of the year every planning forum will undertake one or two constructive activities, consistent with what is capable of being achieved, and that these activities will help students to gain insight into the problems—innumerable as they are—which the planners are systematically attempting to tackle.

In evolving a scheme of constructive activities, the following considerations will be relevant :—

(i) The constructive activities selected by a planning forum ought to be something which students will *have to do* not merely something which they will say. Lectures in slum areas or villages may have their own value, but even more valuable than this is any action, in which the effort of students, pooled with those of the local inhabitants lead to something beneficial to the place visited.

(ii) As far as possible the ideas leading to the constructive activities ought to emerge from the minds of students themselves, not dictated by their staff advisors, or worked out—down to the last detail—by their elders. It is of course understandable that in working out a plan for constructive action, the experience of a mature person may be necessary in order to provide the technical know-how.

(iii) The constructive activity ought to be relevant to some of the basic ideas of the plan. This would bring the action pattern undertaken by the planning forum into a meaningful relationship with the ideologies assimilated in the course of study and discussion.

(iv) Simplicity is a fundamental consideration in any kind of constructive activity. It does not do to take on a big job and to find at the end of the period of effort that the group has not got even half-way through it.

(v) Organization of effort, avoidance of duplication, scheduling so as to take the optimum use of manpower and to avoid wastage of resources, and deployment of manpower so as to cover the entire field of constructive action are all guiding principles.

(vi) Since the work of the planning forum is under taken year after year, it is desirable that some sort of continuity between the past and the present should be maintained. Although this may not always be possible, concentration of effort on the same area so as to achieve a steady improvement, in a specific direction, over a period of time, is a major consideration.

Study Centres

Since planning aims at securing a high level of national development, it has been the explicit purpose of the Planning Commission to secure an intelligent understanding of its activities. With this end in view, the utmost participation of student communities in the national effort has been solicited and encouraged by Government.

The activities of planning forums need to be continuous and expanding. Further, it is desirable that the undertakings of planning forms should provide opportunities for everyone to participate. The best approach to the tasks of the planning forums is summed up in the words—*see*, Judge, Act.

For intelligent understanding of planning in India, study habits should be encouraged by setting up Plan Information Centres in colleges. These Centres should not only provide informative material, but should be set up tastefully and attractively, so that they may become a popular attraction.

Scope for student initiative can be provided by study groups and systematic programming. In the conduct of group discussion attention needs to be paid to sound leadership, effective participation and concentration on practical issues. Programming and programme evaluation constitute an integral part of the group effort.

Constructive activities provide an outlet for the creative talents of student groups. Undertakings which aim at a practical expression of plan ideologies should be simple, relevant to the basic ideas of the plan, well organized and capable of being continued over a period of time. It is highly important that the dynamics of planning forums should be the outcome of enthusiasm tempered by insightful thinking.